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Angolans Report More Attacks by S. Africa Forces

From Agency Dispatches

LISBON — South African troops mounted new air and land attacks Wednesday after advancing nearly 100 miles into Angola and destroying two villages, the Angolan news agency Angop reported in Lisbon.

In Cape Town, Prime Minister Pieter W. Botha said Wednesday that reports of a South African invasion were "grossly exaggerated." He told Parliament that in "follow-up operations" against guerrillas of the South-West Africa People's Organization, South African forces had clashed with Angolan troops.

The Angolan news agency also quoted President Jose Eduardo Dos Santos as calling for solidarity from Cuban President Fidel Castro, head of the nonaligned movement, and Kenyan President Daniel Arap Moi, president of the Organization of African Unity.

Mr. Dos Santos sought their support "so an end can be put to the successive acts of aggression," the agency said in a report monitored here and in Madrid.

There was no indication where the new attacks occurred.

In identical messages from the Angolan capital of Luanda, Mr. Dos Santos told Mr. Castro and Mr. Moi that the invasion was "a grave provocation that seriously compromises peace in the region and international security," Angop said.

Western Reaction

West Germany and Britain Wednesday summoned the South African ambassadors to their countries to urge an immediate withdrawal of troops from Angola.

In Bonn, an official statement said Foreign Minister Hans-Dieter Genscher had described the incursion as "unacceptable." In London, a Foreign Office statement warned that the consequences of the action could be "highly dangerous" for stability in southern Africa.

And in Paris, a Foreign Ministry spokesman said France deplored the incursion, which he said would hamper efforts for a peaceful settlement in South-West Africa (Namibia).

The three European countries, along with the United States and Canada, form a Western "contact group" that has been trying to help resolve the South-West African issue.

Pressure on Others

It has been hit hardest, with sales down to just about 770,000 barrels a day from around 2 million in January.

Estimates of lost revenue because of the slump in sales range from \$1.2 billion to more than \$2.35 billion, depending on whether projections from the current budget or the present five-year plan are considered.

Market analysts in London have been saying that a Nigerian reduction will put intense pressure on Libya and Algeria to cut prices.

Both are among pricing hardliners in OPEC. They produce crudes of similar quality to Nigeria's for around \$40 a barrel and have also been facing a buyer revolt.

Nigeria's decision could lead to a round of OPEC price cuts as forecast Friday by the Saudi oil minister, Sheikh Ahmed Zaki Yamani, who predicts a reduction in the world average price of crude oil.

Sheikh Yamani made his prediction at the end of an emergency OPEC conference in Geneva, called by hard-pressed Nigeria to try to negotiate a new unified pricing structure for OPEC oil.

The goal was to group prices in a narrower range than the present spread between Saudi Arabia's \$32 a barrel and top rates up to \$40, so giving all the exporters a more or less equal chance of selling their oil in the present glut.

The meeting failed when the Saudis refused to offer to raise their price above \$34 for a new common base price, and others, notably Venezuela and Iraq, would not cut to that level. Sheikh Yamani then forecast that the surplus would compel the price reductions that negotiation failed to achieve.

Who Sent the Green Berets on Mission to Help Libya?

Army, CIA Disown Operation After Sergeant Decided Work for Qadhafi Was 'Too Much'

The following article is based on reporting by Philip Taubman and Jeff Gerth and was written by Mr. Taubman.

New York Times Service

HONOLULU — Four years ago, 10 men trained by the U.S. Army Special Forces went to work for the government of Libya, training terrorists.

According to participants and federal investigators, they went to Libya with the knowledge and endorsement of the U.S. Army. They apparently believed that they were infiltrating the Libyan government for the CIA.

Nine were retired members of the Special Forces, popularly known as the Green Berets. The 10th, who recruited the others, was a Special Forces master sergeant on active duty. He had been recruited by a former CIA agent.

The men's belief that the mission was intended as a CIA infiltration of the government of Col. Muammar Qadhafi was apparently shared by ranking Green Beret officers. The CIA denies any involvement. Many participants and some federal investigators believe the mission had at least the CIA's tacit approval.

What is certain, say the investigators, is that the operation was organized, financed and directed by Edwin P. Wilson, a former CIA agent. In 1976, according to investigators, Mr. Wilson closed a business deal with Col. Qadhafi to sell his expertise in intelligence, arms and explosives to Libya for the training of terrorists.

Mr. Wilson was indicted in 1980 by a grand jury on charges of illegally exporting

explosives to Libya. He is now a fugitive, believed to be living in Tripoli. His use of the Special Forces, like other aspects of his relationship with Libya, has generated problems for the U.S. government.

No Federal Law

The U.S. Justice Department, after investigating the case and calling many of the Green Berets before a grand jury in July, 1979, produced no indictments. One reason, investigators said, was the lack of any federal law prohibiting the training of terrorists outside the United States by American citizens.

Lt. Col. Harold Isaacson, a spokesman for the Army Special Forces at Fort Bragg, N.C., said the Libyan operation, like the activities of former Green Berets in general, is not the responsibility of the U.S. Army. Army officials said inquiries determined that the one active duty officer involved, and the superiors who endorsed his role, apparently acted in good faith, believing the mission was CIA sanctioned.

CIA Director William J. Casey recently ordered a review of agency policies to guard against the transfer of information and technology by former agents to such countries as the Soviet Union and Libya.

The review was prompted by the case of Mr. Wilson and Frank Terpil, another former agent, in which agency connections were used in getting explosives to Libya illegally and in the training of terrorists there.

Mr. Casey said the agency's general counsel was reviewing our contracts to develop additional protections against the kind of moonlighting and use of our contractors and

technology which occurred in the Wilson-Terpil situation."

The involvement of the Green Berets in the Libyan training operation began on July 21, 1977, when Luke F. Thompson, then a Special Forces master sergeant, received a phone call at his home in Fayetteville, N.C., from a man who identified himself as Party Loomis. Sgt. Thompson played a key role in numerous covert operations in Vietnam and Latin America in the 1960s and 1970s, according to intelligence officials. According to Sgt. Thompson, whose account was confirmed by other participants and investigators, Mr. Loomis said he was calling from Washington. "He asked if I could go abroad to discuss a contract," recalled Sgt. Thompson, now retired, here Sunday. "He said it involved big money and asked if I could get ahead of four or five other men with Special Forces specialists who were prepared to travel fast."

Conversation Reported

Sgt. Thompson conditionally accepted the plan, and he called military counterintelligence officials at Fort Bragg to report on the conversation. "I thought it might be something subversive, you know, maybe a foreign power trying to lure us into something," he said. That evening two counterintelligence officials from Fort Bragg visited Sgt. Thompson and the three talked over the conversation.

The next day, Mr. Loomis called again, this time to arrange a meeting with Sgt. Thompson and the men he was recruiting. They picked the Sheraton Motor Inn in Fay-

etteville. The time was to be the following day, July 23.

Sgt. Thompson notified the counterintelligence officers. "They told me to keep cooperating," he said. On the day of the meeting, the counterintelligence officers told Sgt. Thompson, he recalled, "We've checked this to the top and it's legal and aboveboard. You can pursue it as you desire." Satisfied that he was dealing with a government operation, he went to the meeting.

Mr. Loomis and a Washington lawyer escorted the sergeant and three recently retired Green Berets to a motel room. After turning up the volume on the television, Mr. Loomis identified himself as a CIA agent. "He said he was with the agency and had just recently come out of deep cover in Indonesia in the aircraft industry," Sgt. Thompson said.

Mr. Loomis offered no details on the operation, saying information would be provided outside the United States, but he did explain that the men would receive \$4,500 a month, plus bonuses. He told them to fly to Washington several days later and he gave each man several \$100 bills.

Investigators later determined that Mr. Loomis had approached Sgt. Thompson shortly after being dismissed from the CIA for helping Mr. Wilson obtain explosive timers for Libya.

After the meeting, Sgt. Thompson said he again called the counterintelligence office at Fort Bragg. He told them of his plans to go abroad. "They said to go ahead," recalled Sgt. Thompson. He requested, and was

(Continued on Page 2, Col. 1)

Cameras Jam on Voyager

Key Pictures Of Saturn Lost

From Agency Dispatches

PASADENA, Calif. — Technical problems aboard Voyager-2 pointed the spacecraft's cameras uselessly into the void of space Wednesday, losing what were expected to have been key pictures of Saturn.

Somewhere on the far side of the ringed planet, Voyager lost the ability to swivel its camera platform from side to side, and NASA engineers worked urgently to fix the mysterious malfunction.

A Jet Propulsion Laboratory spokesman said it would probably take at least all day to correct the problem as Voyager cruised away from Saturn.

The problem was serious but not critical, said spokesman Frank Bristow, because "the most important part of the mission had been accomplished before the failure." The spacecraft continued on course and seven other instruments continued working normally, Mr. Bristow said.

Mission Director Richard Lasseter said the malfunction would not interfere with the spacecraft's long-range mission to investigate the outskirts of the solar system, passing Uranus in 1986 and Neptune in 1989.

Scientists still had not seen some of the most important pictures and data from Voyager's encounter with Saturn Tuesday night when they learned of the problem. They were stored on tape for review Wednesday morning.

Still Close to Planet

"We are still expecting the very exciting photographs today, the high resolution photographs from the close encounter last night," said Edward C. Stone, chief project scientist. In Bonn, an official statement said Foreign Minister Hans-Dieter Genscher had described the incursion as "unacceptable." In London, a Foreign Office statement warned that the consequences of the action could be "highly dangerous" for stability in southern Africa.

And in Paris, a Foreign Ministry spokesman said France deplored the incursion, which he said would hamper efforts for a peaceful settlement in South-West Africa (Namibia).

The three European countries, along with the United States and Canada, form a Western "contact group" that has been trying to help resolve the South-West African issue.

An Appeal to UN

In Washington, State Department spokesman Dean Fischer said the U.S. government had seen reports of "unusual military activity" in Angola and was seeking to confirm them. He said the United States "clearly would deplore an escalation of violence in that area."

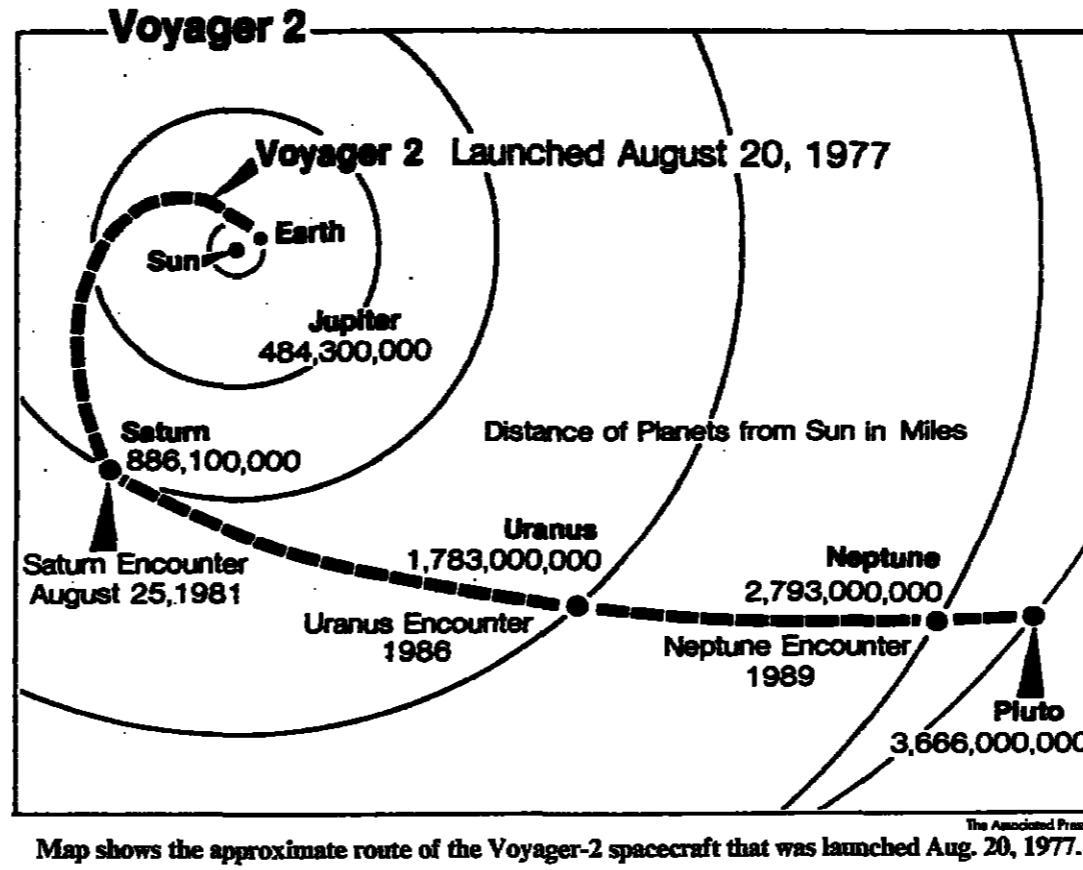
Mr. Dos Santos appealed Tues-

day to the United Nations to "neutralize the imminent and large-scale invasion." The Angolan Defense Ministry ordered all officers, soldiers, sailors and reservists to report to their units within 48 hours.

In Mr. Botha's statement to Parliament, he said Angolan forces had attacked South African troops. "Security forces were, however, prepared for such an intervention, defended themselves to good effect and at the same time succeeded in destroying several terrorist systems and arms depots."

Mr. Botha added: "As regards the wave of allegations from Angola, it should be clearly stated that these reports about a large-scale invasion into Angola are not only exaggerated but an absolute mis-

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Map shows the approximate route of the Voyager-2 spacecraft that was launched Aug. 20, 1977.

violet and light polarity instruments.

Mr. Lasseter said the platform was unable to rotate from side to side but still could be swiveled up and down, so controllers ordered the spacecraft to swing the instruments away toward the blankness of interstellar blankness to prevent direct sun light from harming them.

Voyager made its closest approach to Saturn on schedule at 11:24 p.m. EDT Tuesday, sending back pictures and data that confirmed its sunlit rings were thousands of strands of orbiting snow and ice chunks. The spacecraft then plunged behind the planet, which blocked radio contact with the space center for 93 minutes as expected.

Voyager-2 sped just 63,000 miles above Saturn's yellowish cloud tops — only 2.7 seconds and 30 miles off perfect targeting, after a looping 3.4-billion-mile journey to the planet.

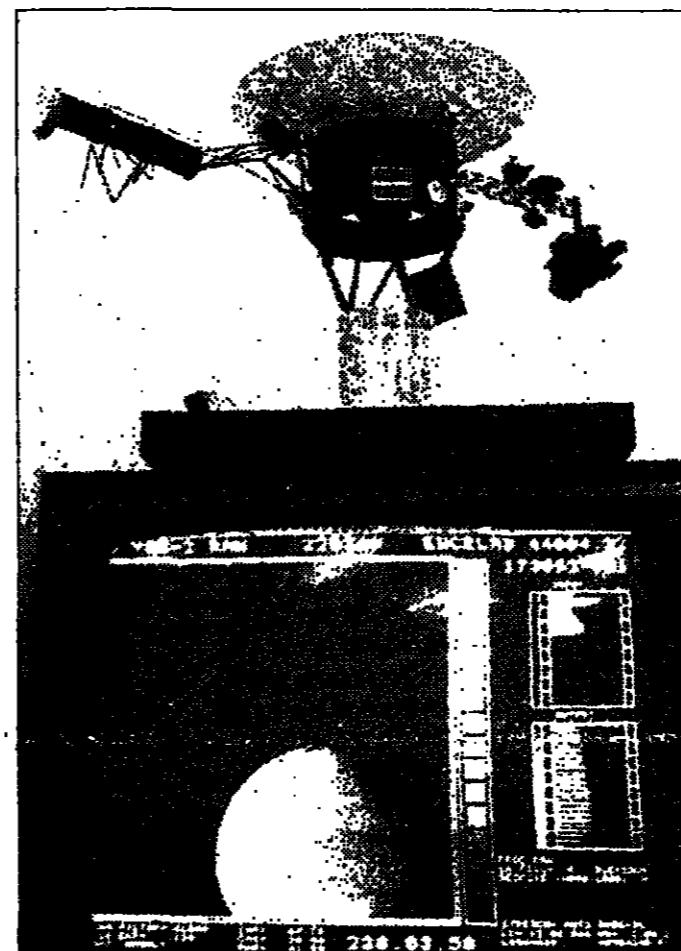
The craft gave scientists their closest look at its stormy gas clouds and whirling snowball rings. It discovered that the planet is encircled by thousands of rings instead of the hundreds seen by Voyager-1 nine months ago.

"We're that much closer this time, and we see literally thousands of rings around the planet," said Dr. Bradford C. Smith of the University of Arizona, Tuesday at the Jet Propulsion Laboratory.

"Once again, we underestimated the scales we see when we fly closer to the outer planets."

Voyager's photographs of Sa-

(Continued on Page 2, Col. 5)



This photo of Saturn's moon Enceladus, about 54,000 miles from Voyager-2, was made from a TV set at the Jet Propulsion Laboratory in Pasadena with Voyager-2 model on top of the set.

United Press International

Vulnerability of U.S. Missiles Questioned

By Leslie H. Gelb

New York Times Service

it is either unnecessary or unworkable to build the kind of vast shelter system to hide the missile that was favored by the Carter administration or even the scaled-down system toward which President Reagan is reported to be leaning.

The strongest doubts are expressed in an editorial in the current issue of Strategic Review, a conservative journal. Arthur G.B. Metcalf, its military editor, writes:

"Nothing has been put forward which technologically supports the belief that we [or the Soviets] could, with any degree of confidence, expect to hit one silo at ICBM range, let alone 1,000 of them distributed over an area equal to one-third of the United States."

To destroy an American Minuteman missile in a fixed silo hardened by concrete to resist 2,000 pounds of pressure per square inch, a Soviet nuclear warhead must have a certain combination of explosive power or yield and a high degree of accuracy.

Critical Variable

But Soviet test firings have occurred only over an easterly or southerly path, and American firings only westward over the Pacific Ocean. In the event of an actual nuclear war, both sides would aim their land-based missiles over the North Pole. Submarine-launched missiles would not have the necessary accuracy to destroy hardened silos.

Since neither Moscow nor Washington has any experience in

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MILE MARK

In Koblenz, West Germany, Britain's Steve Ovett sets a world mile record of 3 minutes, 48.40 seconds Wednesday in an international track and field meet, breaking the week-old mark of 3:48.53 set by his countryman Sebastian Coe at Zurich.

INSIDE

Guatemala

The real test of the Reagan administration's Central American policy may come in Guatemala, not El Salvador. The reason: In El Salvador the administration has been able to dislodge its anti-Communist by pointing to the ruling junta's commitment to democracy and social reform. But in Guatemala, terror is institutionalized. Insights, Page 5.

Korean Changes

In Seoul, the departure from powerful positions of three prominent South Korean generals arouses speculation that President Chun Doo Hwan is engaged in a political housecleaning to consolidate his rule. All three had been close friends and advisers of Mr. Chun when he came to power. News Analysis, Page 3.

Egypt, Israel Will Discuss Palestinians

From Agency Dispatches

ALEXANDRIA, Egypt — President Anwar Sadat and Israeli Prime Minister Menachem Begin said Wednesday they will restart the long-stalled talks on Palestinian autonomy. But their two-day summit failed to resolve some key differences they indicated.

The Egyptian leader said he is not insisting that renewed autonomy talks immediately include Palestinians. He also said he did not recognize the PLO as the sole representative of the Palestinians on the West Bank and Gaza.

PLO Skepticism

In Beirut, the PLO said Wednesday that Egypt and Israel would not find Palestinians to participate in autonomy negotiations.

PLO spokesman Majed Abu Sharar said: "The decision of Sadat and Begin to return to autonomy negotiations is an attempt to get out of the impasse reached by the Camp David accords. We have full confidence that Begin and Sadat will not find today or tomorrow ... a Palestinian who would agree to deal with the enemies of his nation and people."

The sharpest difference on autonomy came up when the leaders were asked if they believed Palestinian self-rule was possible without PLO participation.

Mr. Sadat said, "There may be problems here and there."

Polish Media: Struggle for a Center of Political Power

By James M. Markham
New York Times Service

WARSAW — At a news conference last week called by the independent trade union, Solidarity, a reporter from the Communist Party daily, *Tribuna Ludu*, asked the union organizers of a printers' strike why they had failed to ask the population if it approved of the two-day shutdown of Poland's newspapers.

Engeniusz Koscianek, a leader of the Warsaw printers, shot back with an angry question of his own.

"Did anyone take an opinion poll in 1944 or 1945 to find out if we wanted to be members of this bloc?" he said angrily, referring to Poland's forcible inclusion in the Soviet Union's sphere of influence at the end of World War II.

In a Communist state, Mr. Koscianek went on, there were three centers of power: the military, the police and the propaganda apparatus. "And we have got one of them!" he exclaimed.

In outspoken Poland, the printer's sharp language was dar-

NEWS ANALYSIS

of raw political power — are now being addressed.

The newspaper strike underscored the point. The printers walked off the job because Solidarity said it was exasperated with stepped-up official criticism and regular weekly television and radio time to answer the government and put across its own views.

If it wins this battle, as it has

won others before, Solidarity will be in a position to cripple one of the monopolies that a Communist government relies upon to control its population's information. In Poland today, the Communist Party has few other means to defend itself, since Stanislaw Kania, the first secretary, has renounced in principle the use of force.

The negotiations this week on

media access could thus be of tremendous importance. With regular television programs of their own, Solidarity leaders are convinced that they would be able to oblige the government-run news organizations to be more sympathetic to them.

Battle Far From Won

"Look," said Jerzy Kropiwnicki, a Solidarity leader from Lodz, "even though the rules of censorship did not change in the last year, the presence of our bulletins has made the press in Poland if not good, a lot better. With us in television, the authorities will have to take public opinion more into account."

This momentous Solidarity battle is far from won, but if the authorities balk, they will probably face another printers' strike decided not so much by the union's national leadership as by the printers themselves. For one of the most dynamic characteristics of Poland's free union is that its base tends to be more radical than its nationally known leaders. The

loose structure of the union movement gives a radical rank-and-file great tactical leverage.

Lech Walesa and other Solidarity strategists have decided, for example, to press the government hard to give workers, and not the Communist Party as now tends to be the case, the power to name plant managers. But it is the enraged steel workers at the Huta Katowice complex in restless Silesia who decided to hold a referendum on retaining or sacking their boss. They are reported to have put a white wheelbarrow in front of his office to remind him that he can be carted away.

Back on the Defensive

The demonstrations, marches and strikes over food shortages that rocked Poland earlier this month well up from backwater towns like Kutno, and were initially resisted by Mr. Walesa and other union leaders as imprudent. Though the national leadership finally called for an end to these protests on Aug. 12, dockers are still blocking shipments of Polish

ham for export in the port of Gdynia. And, though the national press strike is officially over, printers are still occupying a newspaper plant in Olszyn, enraged by television coverage of their action.

One result of the recent turmoil has been to puncture the mood of self-congratulatory euphoria that had momentarily invigorated the Polish Communist Party after it had adopted limited democratic reforms at its party congress just a month ago. Once more, the party and the government have been thrown on the defensive, responding to Solidarity's bold thrusts with apocalyptic warnings that national destruction awaits Poland if the unrest continues.

At the beginning of September, when it opens its first congress in Gdansk, Solidarity will have to decide how fast, and on what issues, it is going to push the embattled Polish government. The young union movement must shape some economic salvation program to rival or mesh with the government's chart the route it will follow in managing its members, and, most daring of all, weigh the advantages and risks of lobbying openly for free elections to the Parliament and to city councils.

This last issue turns on a quandary: Can Solidarity, nominally a trade union, guarantee and stabilize the political gains of the last year, or must it broaden and deepen its alliances through new organizations, and even political parties?

The union delegates will finally face the organizational problem of either retaining some 50 jealously autonomous Solidarity chapters, or consolidating them into a score or so and endowing the national leadership with something more binding than Mr. Walesa's moral and charismatic authority.

The betting is that the federalists will triumph at Gdansk, leaving Solidarity volatile and shifting, but still a coalition highly responsive to its base. This, in turn, could mean that Poland's piecemeal revolution-from-below will keep rolling along at a breathless pace.



United Press International
Egyptian President Anwar Sadat and Israeli Prime Minister Menachem Begin, meeting Wednesday in Alexandria, Egypt, announced plans to resume the stalled talks on Palestinian autonomy.

Palestinian Autonomy Talks to Reopen

(Continued from Page 1)

three months between the leaders, who have pledged to work within the U.S.-sponsored Camp David accords of September, 1978, to widen peace with other Arab nations opposed to Israel's existence.

Mr. Sadat angrily called off the talks in early August of 1980 in response to Israel's annexation of East Jerusalem.

Mr. Sadat had said he was also angered by Israel's policy of colonizing the West Bank with Jewish settlements, and he alleged that Arabs living on Israeli-occupied lands were being treated inproperly.

Both leaders said the United States will remain a full partner in the quest for Palestinian autonomy, one of Camp David's provisions, but did not specify how U.S. representatives would participate in renewed talks.

Mr. Sadat said he hoped Jordan's King Hussein would join in talks for an overall Middle East settlement after Israel and Egypt reach agreement on the autonomy issue. Jordan, which lost territory to Israel in the 1967 War, has opposed the Camp David accords as being too vague on autonomy.

The Egyptian president said the truce between Israel and Palestinianans in southern Lebanon, which ended 10 days of fighting last month, could be a starting point for dialogue with the PLO. The cease-fire was mediated by the United States, United Nations and Saudi Arabia, which gives the PLO financial support.

Despite the clear divergence of their pre-announced positions, if talks get off to a cordial, it is strained start, officials said.

Taking part with Mr. Begin are Defense Minister Ariel Sharon, Foreign Minister Yitzhak Shamir and Yosef Burg, interior and religious affairs minister.

Mr. Sharon held separate talks with Egypt's defense minister, Gen. Abdu Halim Abu Ghazala, the final Israeli withdrawal from Egypt's Sinai Peninsula next April.

Interest in the sort of reception Mr. Begin would receive in Washington was one reason the Israeli leader was so keen to have his meeting with Mr. Sadat when he seemed that little would come of it. Israeli officials here indicated.

U.S. Postal Service Considers Sale Of Space for Ads, Even on Stamps

The Associated Press

WASHINGTON — In search of a way to cut chronic deficits, the Postal Service is considering selling advertising space on delivery vehicles, its post office lobbies and even on stamps.

The Postal Service published a notice in Tuesday's *Washington Post* asking for public comment on what would be a reversal of a long-standing policy against selling ads.

Possible places for the ads also include covers of stamp books and on aerograms, postmarks, postal cards and postage meter strips. No estimate was available of how much revenue the proposal would bring in.

WORLD NEWS BRIEFS

French Cabinet Guillotines Death Penalty

United Press International

PARIS — The French Cabinet has approved a bill abolishing the death penalty, ending two centuries of executions by guillotine.

The bill will go before Parliament Sept. 17 and approval was considered certain since the lower house is dominated by President Francois Mitterrand's Socialists. Recent public opinion polls showed that a majority of those questioned favored retaining the death penalty as a deterrent.

The decision to dismantle the guillotine fulfilled a Mitterrand campaign pledge to abolish capital punishment. The guillotine has been used since the French Revolution of 1789. Seven men are currently under death sentences in France.

Thatcher Refuses to See Irish Republican MP

The Associated Press

LONDON — Prime Minister Margaret Thatcher Wednesday turned down a request from newly elected Northern Ireland member of Parliament, Owen Carron, for an urgent meeting on the Maze Prison hunger strike.

Mr. Carron, 28, was elected Thursday to fill the Fermanagh-South Tyrone seat left vacant by the death of Bobby Sands, first of 10 hunger strikers to die in a campaign to win political status for Republican prisoners.

In rejecting Mr. Carron's plea for a meeting, Mrs. Thatcher, returning to her London office after vacation, said that Michael Allyson, deputy to Northern Ireland Secretary of State Humphrey Atkins, was prepared to meet the new MP.

Knesset Debates Excavation of Burial Site

Reuters

JERUSALEM — Israel's parliament, the Knesset, went into special session Wednesday to debate a row between rabbis and archaeologists on an issue that poses delicate political problems for the new government of Prime Minister Menachem Begin which is dependent on religious parties for staying in power.

The issue was referred to the Knesset Education Committee after a brief debate. In dispute is an order from the nation's chief rabbi to halt excavation work on the City of David site, which is regarded by archaeologists as an exceptionally important source of clues to the origins of the Jewish people.

Kuwaiti Refinery Blaze Is Extinguished

Reuters

KUWAIT — Firemen Wednesday extinguished an oil tank blaze that had raged for a week and closed one of Kuwait's two main refineries, a government spokesman said.

He said the emergency at the Shuaibah refinery was now over. One person died in the blaze, which started last Thursday and destroyed eight storage tanks.

The government has set up a committee to investigate the cause of the fire at the refinery, which normally produces 200,000 barrels a day. The spokesman gave no estimate of the cost of the damage.

Carter Says Peking's Friendship Pleases Him

The Associated Press

PEKING — Former President Jimmy Carter toured the Great Wall of China Wednesday after a lavish banquet the preceding evening at which Chinese leaders saluted him for opening diplomatic relations with the Communist government.

Hailed by Premier Zhao Ziyang as "a statesman well-known to the Chinese people," Mr. Carter said that he had hoped when he normalized relations in 1979 that progress would be so rapid and valuable that the process would be irreversible and able to withstand the inevitable shifts of changing political times.

"Gratifying progress continues in many areas of life and the benefits of the progress are apparent to all," Mr. Carter said. "There is no doubt that the cause of world peace has been advanced by the new Sino-American friendship."

Who Sent Green Beret Mission to Libya?

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granted, a special leave by his commanding officer.

In Washington, Sgt. Thompson and three former Green Berets received travel documents, \$1,000 in cash, airplane tickets to Zurich and a description of a man who would meet them at the airport. "We were told to stay in the international zone and not to go through customs in Zurich," Sgt. Thompson said. "We had our war bags packed in a 400-pound locker, everything we figured we might need for a direct action mission."

The man waiting in Zurich was identified as Mr. Wilson. Sgt. Thompson ran through a list of questions. "As leader of the group, I wanted answers to several key questions. I wanted to know who exactly we were working for, what the terms of our contract would be, what arrangements had been made for health care and what escape and evasion plans had been prepared."

According to Sgt. Thompson, Mr. Wilson told them they would be working for him. He did not elaborate. He told them they would be going to Libya where they should make themselves "indispensable." Sgt. Thompson said they assumed that Mr. Wilson

meant that through being indispensable they would gain intelligence information useful to the United States.

Health care, if necessary, would be provided at the best hospitals in Europe, and insurance coverage for the men would be \$250,000 for loss of life and \$125,000 for loss of limb.

No contract was necessary, Mr. Wilson said, because neither party was likely to walk away from the project. "If I wished, you'd kill me," Sgt. Thompson said. "Mr. Wilson asserted, "and if you wished, I'll kill you."

\$6,500 a Month

Mr. Wilson was reported to have said the payment would be \$6,500 per month, payable in any currency the men wanted. He also offered to set up Swiss bank accounts. From Zurich, they flew to Tripoli, Sgt. Thompson said, where they were greeted by a representative from the Deter International Corp., a Virginia company owned by Mr. Wilson. They were escorted out of the airport without a customs check and taken to a military compound where they met the chief of Libyan intelligence, Abdal Senussi.

"He wanted to know if we could supply a gas that would subdue 800 men for several hours in a desert environment," Sgt. Thompson said. "We told him that there was no such agent. He then wanted to know all about the principles of land warfare, things like vertical envelopment and the elements of surprise."

When the session ended, Sgt. Thompson said, they were driven to the Beach Hotel, where Douglas M. Schlaeter, a friend and business associate of Mr. Wilson, told them to relax. Mr. Schlaeter is under investigation on charges of involvement in illegally exporting explosives to Libya. He is believed to be living in Africa.

Haiti Opposition Gets Prison Term

United Press International

PORT-AU-PRINCE, Haiti — A Haitian judge Wednesday sentenced opposition leader Sylvio Claude and 23 followers to 15 years in prison for opposing the government of President Jean-Claude Duvalier.

Mr. Claude, leader of the tiny Social Democratic Party, and his followers were sentenced after a mass trial on charges of inciting rebellion, arson and insulting the United States and the Soviet Union.

"Whatever happened, it's a sorry episode," one senior Justice Department official said. Sgt. Thompson, for his part, says he lives on "full alert," concerned about death threats he said he has received since he left Libya.

Meanwhile, the Libyan government Wednesday assured Americans living in Libya that it was safe to stay, despite a U.S. government warning to leave, and urged U.S. nationals "not to be swayed by the Reagan administration's lies."

The Libyan Foreign Liaison Bureau condemned the U.S. government's advice, saying, "The American community will continue to enjoy the protection and security which everybody (in Libya) enjoys."

Qadhafi Praises Syrians, Revives Merger Proposal

The Associated Press

DAMASCUS — Libyan leader Col. Moamer Qadhafi has thanked Syria for its "steadfastness in our confrontation" with Israel and "American aggression" and revived a dormant plan for the merger of Libya and Syria.

Addressing a meeting of President Hafez al-Assad's ruling Arab Socialist Baath Party on Tuesday, he spoke angrily of the aerial battle last week in which two U.S. Navy F-14s shot down two Soviet-made Libyan warplanes. He also called for "material" measures to implement the year-old merger agreement.

"We are very keen on Syria's stability and steadfastness in our confrontation with Israel and the deliberate and premeditated American aggression against the Arab nation," Col. Qadhafi said.

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"We are very keen on Syria's stability and steadfastness in our confrontation with Israel and the deliberate and premeditated American aggression against the Arab nation," Col. Qadhafi said.

Meanwhile, the Libyan government Wednesday assured Americans living in Libya that it was safe to stay, despite a U.S. government warning to leave, and urged U.S. nationals "not to be swayed by the Reagan administration's lies."

The Libyan Foreign Liaison Bureau condemned the U.S. government's advice, saying, "The American community will continue to enjoy the protection and security which everybody (in Libya) enjoys."

Qadhafi Praises Syrians, Revives Merger Proposal

The Associated Press

DAMASCUS — Libyan leader Col. Moamer Qadhafi has thanked Syria for its "steadfastness in our confrontation" with Israel and "American aggression" and revived a dormant plan for the merger of Libya and Syria.

Addressing a meeting of President Hafez al-Assad's ruling Arab Socialist Baath Party on Tuesday, he spoke angrily of the aerial battle last week in which two U.S. Navy F-14s shot down two Soviet-made Libyan warplanes. He also called for "material" measures to implement the year-old merger agreement.

"We are very keen on Syria's stability and steadfastness in our confrontation with Israel and the deliberate and premeditated American aggression against the Arab nation," Col. Qadhafi said.

Some California Fruit Is Banned by Japan

By Jay Matthews
Washington Post Service

SANTA BARBARA, Calif. — Japan has announced it will enforce a ban on all California fruit that has not been disinfected, despite U.S. efforts to soften the embargo aimed at the Mediterranean fruit fly.

The Japanese decision, announced Wednesday in Tokyo, will be a blow to California growers, who count the Asian nation as their No. 1 foreign customer. California sells more than \$120 million in fresh fruit to Japan each year.

Meanwhile, two of five Mediterranean fruit flies found near Los Angeles, 300 miles from the main infestation, were confirmed Wednesday to be sterile, indicating that spraying of pesticides over the state's most populous county might be necessary, United Press International reported.

Many Are Unpersuaded

Anne Warring, a spokesman for the group of California growers known as Sunrisk, said the group had already canceled its next weekly shipment of citrus to Japan. Sunrisk growers have said, however, they are making preparations to fumigate as much of their export crop as they can to meet the Japanese requirement.

California growers in general, however, are not well-prepared for the fumigation or cold-treatment that might be required of more of their produce if the Japanese embargo spreads to other countries.

AWACS Ride Fails to Dent Israelis' Opposition to Sale

By Barry Schwid
The Associated Press

WASHINGTON — A ride on a U.S. radar plane has not caused Israeli representatives to lessen their opposition to the projected sale of five of the aircraft to Saudi Arabia, a spokesman for the Israeli Embassy in Washington says.

"This will not affect our position or our opposition," Nachman Shai said Tuesday after the Pentagon disclosed that Israeli military and technical experts were flown from Tinker Air Force Base in Oklahoma to the vicinity of Langley Air Force Base in Virginia and back to Tinker.

"Israel rejects the whole package and all its elements," Mr. Shai said.

The Reagan administration wants to sell five of the Airborne Warning and Control System — AWACS — planes to Saudi Arabia. The package, which Congress has until Oct. 30 to veto, also includes missiles and fuel tanks for 62 U.S.-built F-15 fighters, giving the range to reach Israeli territory.

Senate Majority Leader Howard H. Baker of Tennessee threw his support behind the proposal Tuesday and predicted that the Republican-controlled Senate would not block the sale. Although saying he thinks the House may oppose it, the sale cannot be blocked unless both houses vote to do so.

In Post-Torrijos Panama, Top Officers Take Reins

By Alan Riding
New York Times Service

PANAMA CITY — Less than a month after the death of Gen. Omar Torrijos, Panama's military high command has moved to fill the political vacuum left by the death of the strongman who had ruled the country for 13 years.

Although Aristides Royo has been confirmed in his largely administrative role as president, the 10 senior officers of the National Guard, the country's only armed force, have begun to project themselves as the ultimate political authority here.

In recent days, the new commander of the 9,000-member guard, Col. Florencio Flores, a little-known figure until Gen. Torrijos' death in a plane crash July 31, has made several much-publicized trips around the country, but he is believed to have little ambition to dominate the political scene and has been coordinating closely with the nine lieutenant colonels who comprise the guard's general staff.

Significantly, by inviting proponents and critics of a \$2-billion copper development project to argue their case before them last week, the general staff officers assumed responsibility for deciding perhaps the most nettlesome political issue facing the country.

One result of the guard's assertion of power, in the view of local political analysts, has been a commensurate loss of political ground by Mr. Royo, who was named by Gen. Torrijos in 1978. The guard has also paid little heed to the Democratic Revolutionary Party, which is nominally the ruling party.

Without the unifying figure of Gen. Torrijos, many Panamanian political analysts believe that a struggle for power will inevitably ensue in the top ranks of the National Guard.

Terrible Mistake

"The guard is making a terrible mistake in trying to project itself as the successor to Torrijos," said one Panamanian politician who acted as an informal adviser to Gen. Torrijos. "The general staff is confusing popular acceptance of Gen. Torrijos' one-man rule with a similar acceptance of the National Guard."

Foreign diplomats believe the first serious internal crisis will serve as a test of both the unity of the National Guard and of its relationship with Mr. Royo.

and states. A spokesman for the Council of California Growers said last week that its members were equipped to fumigate only 5 percent of their crop.

U.S. officials have been meeting with the Japanese in Tokyo since Saturday in an attempt to persuade Japan to accept a simple certificate that fruit brought into the country was from parts of California free of the Mediterranean fruit fly. Only 2 percent of the state is under federal and state quarantine resulting from Mediterranean fruit fly infestation.

A spokesman for the Japanese government said the two sides would continue to discuss what kind of disinfectant treatment would be acceptable to Japan and what varieties of fruit not susceptible to the flies might be admitted.

Most other states and foreign governments have been accepting California produce if it was accompanied by a certificate saying that no Mediterranean fruit flies had been found in the counties in which it was picked.

Sea S.I. Hayakawa, Republican of California, called Tuesday for immediate spraying of the entire San Joaquin Valley, the heart of California's \$16 billion agricultural industry, to stop any further spread of the insect and restore faith in California produce. Up to now, state and federal agricultural officials have ordered aerial spraying with the pesticide Malathion over only those areas where Mediterranean fruit flies have been found.



HOLE IN WALL — An East Berlin worker watched by border guards repairs a 15-foot rupture in the Berlin Wall caused by a young man from the West who crashed through his car Tuesday night. The driver, thought to be trying suicide, is in an East Berlin hospital.

Canada Finds Wrongdoing by Mounties, Strips Them of Internal Security Duties

By Henry Ginder
New York Times Service

OTTAWA — The Canadian government has announced that the internal security duties of the Royal Canadian Mounted Police would be given to a separate civilian intelligence agency.

The decision was announced Tuesday, at the same time as the release of a report by a government-appointed commission that, after a four-year investigation, discovered "institutionalized wrongdoing" and a "widespread attitude by the force that it need not be responsible to civilian authority."

The RCMP was founded in 1873 as a western frontier force. It is now the federal police force with responsibilities akin to those of the Federal Bureau of Investigation. It also serves as the provincial police in all provinces except Quebec and Ontario, which have their own forces.

The panel of inquiry, known as the Commission of Inquiry Concerning Certain Activities of the Royal Canadian Mounted Police, was set up in 1977. Its establishment followed disclosure in a Quebec court of illegal acts carried out by members of the force in connection with the investigation of subversion in the French-speaking province, where separatism has sometimes taken violent forms.

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Turkey: A Year After Coup

Turkey is approaching the first anniversary of the coup that overthrew Premier Suleyman Demirel. The takeover was meant to put an end to political murder and economic chaos. Unlike most coups, it was greeted with cautious optimism. Turkey, after all, was no banana republic ruled by a succession of tin-horn dictators. On the two previous occasions that the military had taken over since World War II, in 1960 and 1971, the generals quickly returned the country to civilian rule. When Gen. Kenan Evren ousted Mr. Demirel last September, Turkey was clearly descending into the abyss, so he was welcomed in some quarters as a savior. His declared intention of wiping out terrorism, rejuvenating the economy and reforming the political system were desperate necessities that the civilian government obviously could not accomplish.

In some ways, the performance has been astonishingly successful. Political killings have dropped from more than 150 a month to fewer than 40. The inflation rate has gone from 120 percent to less than 40 percent. Exports are expected to be up by 50 percent this year.

In recognition of the economic improvement, Western and Arab bankers are making new loans to the Turks. The Evren government has also improved relations a bit with Turkey's NATO partner, Greece, and it has persuaded Turkish Cypriots to edge toward settlement of intercommunal problems with their Greek neighbors.

The internal political situation, however, is considerably dimmer. Gen. Evren has

cracked down on politicians of the left and the right with equal vigor. He has simply excluded from the political process those of the center such as Mr. Demirel and Bülent Ecevit. A constituent assembly is due to convene in October, but its members will be appointed and their function will only be advisory. Trade-union activity has been virtually suspended. Incidents of torture have been reported. The judiciary is under tight government control and leaders of the left-wing Disk labor federation are facing death penalties as is Alpaslan Turkes, leader of the right-wing Nationalist Action Party.

The latest disturbing development was the announcement that Metin Munir, a Cypriot journalist who represents The Financial Times, the Turkish service of the British Broadcasting Corp. and other Western media organizations, will be tried next month on unspecified charges. The summons left blank the space in which charges normally appear. It is believed that Mr. Munir will be prosecuted for broadcasting a report about a letter alleging that a Turkish group was conspiring to take revenge against Armenians who have been killing Turkish diplomats.

By improving the economy and going a long way toward restoring order, Gen. Evren has won the support of his NATO allies. But if his regime continues to run roughshod over democratic processes and civil liberties — which is bad in itself — frictions are bound to appear, and that will be bad for both NATO and Turkey.

INTERNATIONAL HERALD TRIBUNE

The Mexican Oil Deal

The Reagan administration's oil deal with Mexico is a mistake. Under this agreement, the U.S. government is to buy oil for its strategic reserve directly from the Mexican government. The United States is apparently abandoning its previous salutary policy against direct government-to-government oil trading. Why? So far, there's no clear explanation.

In the past, the U.S. government has bought a lot of foreign oil, but always through intermediaries — the international oil companies. The oil companies have provided a valuable buffer against the political and diplomatic interests that crowd in on any transaction between two governments.

Unlike the U.S. government, Exxon, Texaco and the rest don't have an immigration policy to enforce along the Rio Grande. They aren't involved in disputes over water rights. They aren't responsible for drug enforcement programs. They don't have to arbitrate quarrels over imported Mexican tomatoes that compete with the Florida crop. The oil companies have nothing to offer for oil but mere money, and money is all that they ever pay.

It's never that simple when governments trade with each other. Between two immediate neighbors like the United States and Mexico there are always dozens of issues under discussion, and the treatment of one inevitably affects the outcome of others. If an

oil company thinks that a seller's price is too high, it can simply walk away from the offer. But the United States couldn't break off its purchases from Mexico without creating a political incident of some magnitude. It's not very likely that this oil will be bought at a strictly market price — particularly if prices begin to move. In a falling market, the U.S. government — unlike the oil companies — would have to show a measure of concern for the economic stability of its neighbor. This agreement is a strange choice for an administration that keeps talking earnestly about the necessity to hold future spending to a minimum.

If there should be another oil crisis like the last two, with prices shooting upward, the sellers of oil would once again have great leverage. This administration's energy policy, here as in other cases, seems to be based mainly on the cheery hope that there won't be any more oil crises and shortages.

The amounts of oil in this agreement are not very large, by the standards of the oil business. After the turn of the year, the volume will fall to about 1 percent of U.S. imports. The gains, in terms of the strategic reserve, will be only modest. But the political implications are large, and the precedent is an unwise one.

THE WASHINGTON POST

Gloom on Wall Street

Researchers at the University of Michigan claim the nation's consumers are happier with the government's economic policy than they have been for a decade. But tell that to President Reagan's other constituency, Wall Street's big league money managers, investment bankers, and brokers. They are in deep gloom.

Main Street may continue to cheer lower tax rates and slower growth in social spending, believing that these policies will produce buoyant economic growth and subdue inflation. But Wall Street does not share that faith, nor, surprisingly, is it responding enthusiastically to the investment incentives in Mr. Reagan's economic package. Instead, the financial community has reacted with distress to dismal forecasts about next year's federal deficit, which further puncture hopes that interest rates will come down anytime soon.

The recent deficit forecasts sent the bond and stock markets into yet another tailspin and drove high interest rates even higher. Tuesday, long-term Treasury bills, the safest of safe investments, offered astronomic yields of 14.55 percent. Bell System bonds, also extremely safe, approached 17 percent.

With money market funds continuing to offer similarly high rewards to investors at virtually no risk, the stock market took a beating and the popular Dow Jones industrials dropped to the lowest level in over a year.

On top of all that, the Labor Department announced that the volatile Consumer Price Index jumped ahead in July at a 15.2 percent annual rate. The administration called the swing an aberration and speeded up studies

of how to replace the C.P.I. with an index less vulnerable to monthly swings in housing costs. Nevertheless, it was the first double digit figure in six months.

None of this bodes well for Mr. Reagan. The impressive political capital he has raised with his economic victories in Congress may trickle away if such disruptions in the financial markets continue. It appears that balancing the budget by 1984 may require a great deal more budget cutting than even the administration contemplates, almost certainly undermining the massive buildup of defense outlays that the president wants. It may ultimately require some form of tax increase to limit consumer spending, however unimaginable that may seem in the wake of Mr. Reagan's drive to reduce income tax rates.

In early 1980, John Anderson, then still a Republican candidate for president, said there was only one way that President Reagan could make good on his pledge to cut taxes, raise defense spending, balance the budget and bring inflation under control — and that was with mirrors.

Even people on Wall Street otherwise disposed to support Mr. Reagan look at his economic program and see only a fragile and untested theory of monetary management — a plan to cut more billions from the budget than most people can imagine, and a lot of hope. The forthcoming debate about defense spending will carry these doubts into the halls of Congress. To succeed in that confrontation the president will have to offer more than mirrors.

THE NEW YORK TIMES

In the International Edition

Seventy-Five Years Ago

August 27, 1906

WASHINGTON — The entire country is showing intense interest in the political situation in New York State. William R. Hearst expects to be nominated by his Independence League on Sept. 11; then he is going to ask the Democratic convention to take him on or he will defeat its ticket. He counts on getting New York and Erie Counties and most of the rural counties. Mr. Hearst began by building up a machine of his own with which to coerce the Democrats. He has invaded every county and has men actively at work for him, many on pay. It has been estimated that by the time all the bills for his preliminary canvass have been paid his expenditure would reach nearly \$1 million.

Fifty Years Ago

August 27, 1931

NICE — One of the most eccentric of notable literary men, Frank Harris, critic, biographer and former editor, died aged 75 at his home here yesterday. His determination to complete his biography of Bernard Shaw caused him to cling tenaciously to life despite a long illness. "My Life and Loves" brought him his social ostracism both in England and America. Although there have been violent disagreements concerning his place in the literary world, and though his judges were almost unanimous in terming him the most egotistical writer of a century, it is now recognized that he was a man of genius. His "Life and Confessions of Oscar Wilde" is ranked by Shaw as the best in the field.



'Now the Average Mexican Is as Rich as the Average Arab.'

Dacca: Military Short Circuits

By Tyler Marshall

DACCA, Bangladesh — Since it became independent a decade ago, this hapless nation has been guided more by its army officers than anyone else.

The attempted coup d'état of last May 30 that took the life of President Ziaur Rahman and left a question mark over the future is only the latest instance of the army short-circuiting the political process.

The country's only other elected leader, Sheikh Mujibur Rahman, was gunned down six years ago by a group of dissident majors from the famed Bengal Lancer regiment.

In the chaotic hours following Mr. Zia's death in May, the pivotal figure was not the constitutional successor, Vice President Abdus Sattar, but the army chief, Lt. Gen. H.M. Ershad.

"I could have taken over," he said in an interview at his headquarters in Dacca, "but I decided for the constitutional alternative."

There was no hint of military bravado in the general's statement.

It was a simple assessment of the disproportionate power he held as army chief. It is a degree of power enjoyed by the heads of most Third World armies.

Democracy should be given a chance to survive," Gen. Ershad said. "I am not going to be involved in running this country — not me, not my army."

He voiced the hope that his refusal to take control might make it more difficult for anyone else to try.

"I wanted to prove it's not inevitable that the army takes over," he said. "Once people know there are alternatives it will be harder for the army next time."

But if violence erupts in the coming campaign to elect a successor to the slain president and law and order begin to crumble, he may have no choice.

"In the current political vacuum, there is tremendous pressure on the military to keep order," said a leading Dacca businessman with close ties to the army.

Even Gen. Ershad admits that the army is "the only disciplined force in the country."

But this discipline is far from total. To ensure the continuation of Bangladesh's fragile civilian rule, the army chief will surely have to head off further violent bids for power by ambitious, dissatisfied military officers.

Marxist politicians in Afghanistan recognized the army as their only way to gain the upper hand spent years infiltrating it before launching their successful coup more than three years ago. The commander of the tank that led the takeover is now the minister of communications.

When Pakistan's general cum-president, Mohammed Zia ul-Haq, took control in an effort to restore order in Pakistan, he did so reluctantly. He addressed the elected leader he deposed as "sir" and made what most observers believed was a sincere pledge to return the country to civilian rule within 90 days. That was four years ago. He later hanged Zulfikar Ali Bhutto, the man he called "sir."

Few rate Pakistan's Gen. Zia as particularly ambitious. Most attribute his longevity to the absence of any credible alternative. Indeed, for the army has ruled Pakistan for nearly half its 35 years of inde-

pendence and many view it as the glue that holds the country together.

The path taken by Bangladesh's Gen. Zia during his nearly six years in power demonstrates the pitfalls facing a leader who tries to make the jump from military to civilian rule. As an army major general he emerged as chief martial law administrator following a series of military coups in late 1975.

Initially ruthless, Gen. Zia gradually loosened his grip on the country and was returning it slowly to a semblance of civilian democratic rule, forming his own political party in the process. But a group of disaffected senior army officers believed Gen. Zia was "overdemocratizing" the system and urged him to reimpose martial law and strict press censorship.

More than a dozen attempts to bring him down were organized within the army before the final, fatal one led by an unhappy major general.

Gen. Ershad, who speaks with quiet sincerity and devotion to his country, said that he was determined to keep the army out of the political arena.

Democracy should be given a chance to survive," Gen. Ershad said. "I am not going to be involved in running this country — not me, not my army."

He voiced the hope that his refusal to take control might make it more difficult for anyone else to try.

"I wanted to prove it's not inevitable that the army takes over," he said. "Once people know there are alternatives it will be harder for the army next time."

But if violence erupts in the coming campaign to elect a successor to the slain president and law and order begin to crumble, he may have no choice.

"In the current political vacuum, there is tremendous pressure on the military to keep order," said a leading Dacca businessman with close ties to the army.

Even Gen. Ershad admits that the army is "the only disciplined force in the country."

But this discipline is far from total. To ensure the continuation of

As in so many Third World countries, what affects the armed forces eventually spills over into the broader political process. Differences with the president over the treatment of freedom fighters was one of the grievances voiced by the officers who killed him.

As a precautionary measure, Mr. Sattar, now acting president, has already retired some senior officers whose loyalty was found to be suspect.

Gen. Ershad has personally visited key garrisons, emphasizing to senior officers the need for maintaining strict discipline.

"I've told them that if this kind of thing happens again, it could destroy the country," he said.

Tyler Marshall is the Los Angeles Times' correspondent in New Delhi. ©1981, Los Angeles Times.

By Leopold Unger

BRUSSELS — One year after the great drama of Gdansk, the stage is set again with the same actors prepared for another run of the same play.

Lech Wałęsa displayed the same

sense of responsibility as before

when from the same Lenin shipyards in Gdansk he urged the workers once again to struggle for what they wanted, but to demand only what was possible. Just as the late Cardinal Wyszyński did last August, his successor as primate of the Poles, Archbishop Józef Glemp, took a stand for the Catholic Church in the holy city of Częstochowa for renewed mediation and pronounced a sermon to the glory of the Black Virgin and for moderation. Just as they did a year ago, the Communist Party and the government have adapted a firm policy, with the accompanying threats of force, allusions to "bloody encounters" and to the danger of "fraternal assistance."

And just as he did a year ago, the top man of the Polish Communist Party has returned to the same dacha in the Crimea to hear Leopold Brezhnev describe the Soviet point of view on the Polish crisis.

Yet there are some changes in the replay of history. The first is that it was not Edward Gierak and Stanisław Kania who went to the Crimea, leaving behind an almost entirely new party directorate. Furthermore, Mr. Kania went to the Crimea with his premier, Wojciech Jaruzelski, who is a general and minister of defense, an indication of the role that the army is playing or may play in Poland.

Yet the more extraordinary factor coming out of the Crimean visit is the communiqué published afterward. Rather than the usually banal, almost trivial ritual formulas the Soviet-Polish communiqué this time contained what could be considered a political and economic program.

The communiqué declared a five-year moratorium for the Polish debt to the Soviet Union (according to unofficial Polish sources, the debt amounted to \$4.5 billion for the last year alone). It also

Debate on Energy: Try a Little Prayer

by Richard N. Cooper

CAMBRIDGE, Mass. — It is an extraordinary document recently submitted to Congress, the Department of Energy explains how we should deal with the next oil emergency. It says a shortfall of oil should be met by running an economic recession deep enough and long enough to bring our demand for oil into line with the available supply.

You will not find those exact words in the report, of course, but that is its message. What the report literally says is that, in the event of a disruption in oil supplies, we should allow "the market to do the job it does best — allocating scarce resources efficiently and effectively among competing demands. No action could have a more salutary effect on [our] preparedness and endurance capability ... than to guarantee that domestic price controls and allocation of oil for civilian purposes will never again be imposed," and "... oil supply disruptions must be greeted with a firm and nonaccommodative monetary response."

Prices to Rise

In short, oil prices are to rise until the market clears. That will solve the problem. High priority users are defined as those who will pay for it; low priority users will drop out of the market voluntarily. The price mechanism does not need to be supplemented by other measures. The only mitigation is a willingness to sell some of the Strategic Petroleum Reserve in the event of a disruption. As an economist, I have more respect for the market than most. But doctrinaire reverence for the free market in any circumstance, even an emergency, seems to me foolhardy. The key question is not whether supply and demand will be brought into balance — they always are — but how that will be accomplished, and at what cost.

The administration apparently would rely exclusively on price, apart from some stock drawdown. It is important to get oil prices right, and the January decontrol of oil prices should be applauded as providing the right long-run incentives for the overall national interest, the desirability of avoiding a disruption in the event of another emergency. That is the responsibility of the government. It should limit itself to the maximum fill rate — about 450,000 barrels a day — in buying stocks, and purchase at a much higher rate above ground until it can be moved.

In the meantime, given the administration's declared program for dealing with an oil emergency, we should all pray for quickening the world's leading oil producer.

The writer, a professor of economics at Harvard, was undersecretary of state for economic affairs in the Carter administration. Write to him at The Washington Post.

Polish Stage Ready for Rerun

By Leopold Unger

BRUSSELS — One year after the great drama of Gdansk, the stage is set again with the same actors prepared for another run of the same play.

Obviously, however, Moscow believes that the sacrifice is worth the while. It believes that it must offer some compensation to the Polish leaders for their efforts against the enemies of Socialism in Poland ... the counter-revolutionaries who use anti-Sovietism to try to create a gap between Poland and the Soviet Union and its other faithful friends and allies," and who threaten the "security of the state and the vital interests of the Polish nation."

The Soviet Union, Mr. Brezhnev declared, "has an internationalist position towards Poland." This was a very direct reference to what has become known as the Brezhnev doctrine, formulated

Guatemala: How Far Will U.S. Go to Back Rightist Regimes?

Marilise Simons, a Mexico City-based journalist who reports on Latin American affairs for The Washington Post and other publications, wrote this article for the magazine Foreign Policy.

By Marilise Simons

MEXICO CITY — The real test of the Reagan administration's Central American policy will come in Guatemala, not El Salvador. The reason is simple: In El Salvador the administration has been able to disguise its raw anti-Communism by pointing to the ruling junta's commitment to democracy and social reform.

In Guatemala, terror is institutionalized. The rightist death squads responsible for more than 3,000 murders last year are directed from the office of President Romeo Lucas García himself, according to Amnesty International. The repression has ignited a civil war, and there is little pretense that any political middle ground exists.

The notion, developed by U.S. Ambassador to the United Nations Jean Kirkpatrick, that "moderately repressive" allies deserve U.S. support, faces a severe test in Guatemala. How far is Washington willing to back a military dictatorship that adamantly opposes reform and is committed, in the name of "fighting Communism," to a policy of political assassination?

The Reagan administration indicated in May that it was inclined to provide military aid to Guatemala. But even months after Secretary of State Alexander M. Haig Jr. declared Guatemala the next nation after El Salvador on the "hit list" of Soviet expansionism, the administration still had no coherent Guatemalan policy.

In many ways Guatemala is more important than El Salvador or any other Central American nation. With 6.9 million people, it has the largest population and economy in the region; it borders on four countries, including Mexico and its vital oil fields. Direct U.S. investment of \$221 million — double the amount in El Salvador — is the highest in the region. In the past 25 years, the United States has played a far more important role in Guatemala than anywhere else in Central America.

Whereas the Reagan administration cites outside agitation as the chief cause of the Salvadoran conflict, such claims will be far more difficult to support in Guatemala. When analyzing the Guatemalan civil war, the history of U.S. policy and of indigenous reform movements is impossible to discount.

The most important U.S. interference in Guatemalan politics occurred in 1954, when the Central Intelligence Agency engineered the overthrow of Guatemala's reform-minded president, Col. Jacobo Arbenz. A former defense minister, Col. Arbenz had taken office peacefully and punctually, the first president to do so in more than a century. His labor and land reforms were "taped" by the standards of what the United States recommended in El Salvador last year.

However, when Col. Arbenz began legal proceedings to expropriate 178,000 acres owned by United Fruit Co., offering to pay the company's own book value of the land as compensation, the company skillfully converted a business dispute into an ideological conflict. The U.S. government and media presented Col. Arbenz's reforms not as populist attempts to move Guatemala from feudalism to modern capitalism, but as militant Communism.

\$10-Million Coup

The coup, which cost the United States less than \$10 million, marked the return of the Big Stick policy toward Latin America that Franklin D. Roosevelt had abandoned 20 years earlier. It also became a model for U.S. response to revolutionary change in Latin America. The language, arguments and techniques of the Arbenz episode were used in Cuba in the early 1960s, in Brazil in 1964, in the Dominican Republic in 1965 and in Chile in 1973.

In Guatemala itself, the coup cut short the beginning of a natural process of modernization. Since 1954, the U.S. government and Guatemala's ultraconservative landed gentry and its military allies have time and time again spurned opportunities for peaceful change.

No sooner had Col. Arbenz been overthrown than his CIA-picked successor, Carlos Castillo Armas, dismantled the budding labor movement, the literacy campaign, the peasant cooperatives and revoked all land reform measures. This aggravated the overcrowding of the several million Indians living on tiny plots on the highland plateaus. Anti-Communism became the ruling norm, and it still is today.

As Guatemala prepares for elections in March of next year, revolution is brewing once more. Almost every day there are guerrilla actions: an ambush of an army convoy, an attack on a police station or a takeover of a village to hold political meetings and kill army informants. As in the 1960s, rightist death lists are circulating and mysteriously named murder squads have reappeared.

Wiped out completely a decade ago, the leftist guerrillas have been able to return because of three factors: the radicalization of the Roman Catholic Church, the ability of the guerrillas to mobilize the Indians for the first time and the inevitable demonstration effect of events elsewhere in Central America.

Indian Culture

In contrast to the defeated guerrillas of the 1960s, the Guatemalan leftists in the 1970s decided no revolution would be possible without the participation of the country's Indians, who make up 53 percent of the population. Descendants of the Mayans, the Indians have protected one of the oldest and most coherent cultures in the Americas by rejecting the values of the society imposed by the Spanish conquest. Their tight social organization also protects them against Guatemala's pervasive racism.

Divided into 18 language groups, the Indians follow a conservative, contemplative and deeply religious way of life. Despite years of political pressure, they had always remained aloof from right and left.

Undisputed by the challenge, young members of the Guerrilla Army of the Poor (EGP) moved into the El Quiche area in 1975, learned and Indian languages, gave the people legal and marketing advice, became involved in cooperatives and slowly gained their confidence. Catholic priests, many of them foreigners, served effectively as a bridge between the guerrillas and the Indian population by raising the Indians' consciousness and eventually endorsing — thereby legitimizing — the revolutionary path.

These efforts found strong popular support. The Kekchitek, Kekchi and Quiche peoples have long resented "the army of the whites," which forcibly recruits Indian boys. The Guatemalan military has also made a policy of seizing Indian land on behalf of the powerful, particularly in a new oil, nickel and forestry

development area known as the Transversal Zone.

The army has also kidnapped, tortured and killed local leaders, often entire families, in its hunt for subversives.

In the 1970s, the living conditions of the impoverished Indians worsened. Population growth put more pressure on the short supply of land, services and employment. Illiteracy remained at more than 60 percent. Light industry and tourism created a boom in Guatemala City. But every year half a million Indians in the countryside are forced to migrate to the cotton, sugar and coffee plantations along the Pacific coast, where they often work for less than the minimum wage of \$3.20 a day.

Official terror and desperation have pushed many Indians to cooperate with the guerrillas or actually to join their ranks. Of the four armed leftist groups in Guatemala, the EGP and the Organization of People in Arms have the largest Indian following. Although they are kept small for tactical reasons, these groups can now draw on a vast, invisible support network on a terrain that the Indians know intimately and the army does not.

If the Indians are a key to possible change in Guatemala, the military is the key to the status quo. The military's strategy for preserving power is to terrify the villagers and to put the guerrillas in a moral bind by punishing innocent civilians for guerrilla actions.

Increasingly, the army feels that it stands alone in the way of revolution. Encouraged by U.S. military support and equipment and satisfied with the role of protecting other people's fortunes, the military began to acquire its own wealth in the early 1970s. Modeling themselves after Brazil's powerful military, the officers decided to build economic muscle to increase their independence.

Protection for Sale

The 14,000-man Guatemalan armed forces now own a bank, an investment fund and have launched industrial projects. Top military leaders own vast stretches of land. They earn extra income selling protection to the large landowners. As in El Salvador, much of the high command is U.S. trained. Between 1950 and 1977, according to Pentagon statistics, 3,334 Guatemalan officers attended U.S. military academies.

Three years ago, Guatemala rejected U.S. military aid to protest President Jimmy Carter's human rights criticism. Since then, Guatemala has spent more than \$89 million on military purchases mainly in Israel and Argentina.

Guatemala had seemed the sort of country where the Carter human rights program might have had some impact. Between 1974 and 1978, fraudulently elected President Kjell Lagerud García proved surprisingly tolerant of the newly emerging trade union and Indian cooperative movements. And there were hopes that his successor, Mr. Lucas, and his Social Democratic civilian running mate, Francisco Villagrán Kramer, would ensure continuation of the *apertura*, or political opening.

Relations, however, between Guatemala and Washington deteriorated sharply within months of the Lucas takeover. Mr. Lucas believed that Washington's policies in Nicaragua and El Salvador were destabilizing the entire region and encouraging the extreme left. As the Sandinistas gained strength in Nicaragua, the army command decided to end the *apertura* and demobilize the opposition.

But the United States should not pretend

that it can accomplish anything easily in Guatemala. Creating an atmosphere for reform will be very difficult; real arm-twisting will have to take place.

American Visitors

The Guatemalan establishment overestimated how willing the Reagan administration would be to provide support once it took office. Ronald Reagan's nomination last summer had encouraged Guatemalan hostility toward the Carter administration on both official and private levels. Ultraconservative Guatemalan groups made early contact with the Reagan camp and persuaded hard-line congressmen, retired U.S. military officers and academics to visit Guatemala City. The visitors, in turn, reassured their Guatemalan hosts that U.S. policies in Central America would be radically different under a Reagan presidency.

The administration is in a bind. Although sympathetic to Guatemala's anti-Communism, Washington cannot afford to ignore its brutal repression. The administration's professed support for reform in El Salvador is likely to be undermined by open support of reaction in Guatemala.

If the administration were to push the military regime to reform, knowledgeable insiders doubt that there is even a faction of progressive officers willing to support reform-minded policies.

Betraying the 1982 elections as an avenue of meaningful change is wishful thinking. To rebuild the political center is nearly impossible at this late stage. Even among moderates, U.S. credibility is low.

The only way that the Reagan administration can avoid repeating the mistakes of the past is to show that it opposes government-sponsored terrorism. Without extracting significant concessions from the current ruling groups in Guatemala, the United States will not obtain the measures essential to long-term stability there.

The administration should not go ahead with plans to resume military assistance. The Guatemalans are hurting without U.S. aid. In rejecting military support in 1977, the Guatemalans figured that they could ride out the Carter years and gain friendlier treatment from a Republican administration, without having to curtail their human rights violations. An indefinite military cutoff now could induce the armed forces to revise its reactionary policies.

The Reagan administration has the advantage of being known and trusted in Guatemala. Ruling groups know that they will have nowhere else to turn if they alienate a conservative U.S. administration. Given the choice of facing a hostile United States or instituting genuine reforms, Guatemalan leaders might grudgingly accept the latter.

But the United States should not pretend that it can accomplish anything easily in Guatemala. Creating an atmosphere for reform will be very difficult; real arm-twisting will have to take place.

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PEKING SAGA: Once a Eunuch to Empress, Now a Retired Clerk in Communist China

By Victoria Graham

The Associated Press

PEKING — Behind an iron door on West Drum Tower Street, two elderly gentlemen tend flowers and goldfish in an elegant courtyard where they have lived in seclusion for 30 years, tragic relics of China's imperial past.

Sun Yaoting and Ma Deqing, both 80, were eunuchs of the Qing Dynasty and lived in the Forbidden City. Today they are wards of the Communist state, living out their days with a certain dignity in the compound of the Bureau for Preservation of Temples and Monasteries.

Only one other eunuch is said to be alive, the third and last vestige of a feudal servant class, famed for lusty only after power and engaging in palace intrigue. In the Ming Dynasty (A.D. 1368-1644), eunuchs were said to number 100,000. When Mr. Sun entered the palace in 1916 there were 1,000. When he left in 1924 there were fewer than 200.

Mr. Sun is the youngest of the trio and says master of fact, "I was the favorite of the empress. I did my duty well."

In the last days of the Qing Dynasty, young Mr. Sun was a poised, diminutive, relatively rich eunuch. He earned 20 taels of silver a month as the chosen eunuch of the fickle teen-age Empress Wan Rong. Close to her in age, he poured her tea, washed her hands, supported her arm when she walked.

Mr. Ma, however, was large, ungainly and illiterate. He was a coolie, doing the most menial work in the palace, earning a few dollars on festival days and enduring occasional beatings. He had to pay a dollar from his own pocket to have his queue braided. Mr. Ma and Mr. Sun are friends of five decades, bound by the castration they endured to help their families and their status as freaks and outcasts.

Mr. Sun was born near Tianjin, the eldest of three sons in a peasant family which turned to begging. When he was 10, his parents gave thought to him becoming a eunuch.

"I volunteered to help my family," Mr. Sun said, speaking in a soft voice, sometimes on the verge of tears. "Everyone considered eunuchs despicable and loathsome. No man would want to become a eunuch, but it was the only way because we were so miserable."

So many poor peasants wanted their sons to be eunuchs that the waiting list for imperial castration was long. It took six years of waiting and seeking introductions and Mr. Sun had grown to be a young man of 16 when he was accepted.

He entered the Forbidden City "and on that day I became a eunuch," he said. That was in 1916 and he worked there for eight years until the puppet Emperor Pu Yi was driven out by warlord Feng Yu Hsiang.

Every evening at sunset, he recalls, a bell ordered the departure of all males from the Forbidden City except for men of the imperial family and eunuchs.

Eunuchs tied the emperor's shoes, told him stories, transmitted edicts, burned incense, checked the accuracy of clocks, scrubbed the floors, guarded treasures, fed the animals, recited classics. Because of his



Eunuchs Ma Deqing, left, and Sun Yaoting were in the Chinese imperial court.

shrewd assessment of the whims of the empress, Mr. Sun became her favorite and frequent companion. He was the youngest of 12 eunuchs who waited on her.

He remembers she used to make her eunuchs, all youngsters like herself, stand in a circle and play drop the handkerchief. "If she liked you and was in a good mood, then she was easy to please. She treated me quite well," Mr. Sun said. "But when she got angry, I stayed out of her way. I watched her moods and handled her with care."

No one would hire eunuchs, and many became beggars. "We were humiliated in the outside world," he said. "We never knew even which toilet to use — men's or women's."

Pooled Resources

So 30 or 40 eunuchs pooled their money and bought land in the western district of Peking. There they built the Xing Long monastery, with a Taoist caste. They grew some vegetables, collected rent from houses on their land and lived in idleness, seclusion and poverty.

They only could afford flour twice a month and usually lived on corn muffins. In the street people taunted them.

The eunuchs lived in their retreat for about 25 years, until the Communist victory of 1949. The state took over temples and monasteries, and 30 eunuchs became wards of the state. Eunuchs were organized into political study classes and read Marx and the works of Chairman Mao. "We learned we were the most oppressed in the old society," Mr. Sun said. "We were to be given jobs, protected and respected."

The favorite eunuch of the empress thus became a clerk. "After a life of misery," Mr. Sun said, "we at last could lead happy lives." He praises the Communist Party.

He receives an allowance of 50 yuan, about \$37, a month. He eats in a collective dining room. Attendants steady him as he walks with his cane. They place cushions on his chair. Nurses look after him.

Once a year his brother comes to visit. On a table beside his bed, Mr. Sun places pictures of great-nieces he has never seen.

Freud's Reversal of Seduction Theory Probed

This is the second of two articles. The first article was published on Aug. 20.

By Ralph Blumenthal

New York Times Service

NEW YORK — Unpublished letters and a growing research into the hidden life of Sigmund Freud are providing new insight into a momentous turning point in the history of psychoanalysis — Freud's reversal of his theory attributing neurosis in adults to sexual seduction in childhood.

By that reversal, which shifted the focus of pathology from parent to child, some scholars say Freud turned a blind eye to considerable evidence, not only of seductions but also a wide range of other abuses that victimized and traumatized children in Victorian Europe. The consequences for social reform and psychotherapy ever since have been enormous.

Initially, Freud attributed his patients' neurosis to repressed memories of seductions or other sexual trauma in childhood. But then, he decided, the seductions so frequently reported by his patients could not have occurred and had to be largely "phantasies" conjured up out of an infantile sexuality that focused on the parents.

But some scholars, citing criminal statistics of the period and other documentation, contend that the accounts were authentic enough and that Freudian psychoanalysis essentially turned its back on environmental factors — reality — to look inward to psychic reality, "phantasy" and instinctual drives, such as the Oedipus complex, to explain neurosis.

Turnabout

Some of these scholars now believe that Freud, wearying of his isolation, turned his initial theory around, consciously or unconsciously, to absolve the parents, including perhaps his own father, and implicate the children through a theory of infantile sexuality.

This view won some surprising endorsement recently from a prominent Freud archivist, Dr. Jeffrey Moussaieff Masson, a Berkeley psychoanalyst selected by Anna Freud as director of the project to publish her father's complete correspondence to his closest confidant, Wilhelm Fliess.

By shifting the emphasis from a real world of sadness, misery and cruelty, to an internal stage on which actors performed invented drama for an invisible audience of their own creation, Dr. Masson told a meeting of the Western New England Psychoanalytic Society at Yale in June, "Freud began a trend away from the real world that, it seems to me, has come to a dead halt in the present-day sterility of psychoanalysis throughout the world."

Nevertheless, Dr. Masson and most other Freud scholars consider the Vietnamese master a undeniably heroic figure who by the power of his intellect and great gifts of expression first charted the forbidding terrain of the human unconscious.

The expanding re-analysis of Freud and the seduction theory, nearly a century after the Freudian revolution opened the mind to systematic study and treatment, is being spurred by a wealth of new research and emerging autobiographical material.

"While he was alive, a lot of people knew he didn't want his life exposed," said Dr. Muriel Gardiner, a Vienna-trained psychoanalyst of the 1920s. Dr. Gardiner, a Freud follower and

philanthropist, has helped assemble valuable Freud archives. For a long time after Freud's death at the age of 83 in London in 1939, Dr. Gardiner added, "most people, tacitly or openly, were reticent about getting into everything." But recently, she acknowledged, Freud scholarship has turned increasingly penetrating.

Most significant, scholars say, is the decision of Miss Freud, who is now 85 and living in London, to accede to appeals for the complete opening of her father's most intriguing correspondence — his 284 known letters to Fliess, a quixotic Berlin nose and throat specialist who entranced Freud with his unorthodox theories of bisexuality and biorythms and became his passionate friend for 15 years before their bitter breakup after 1902. According to new accounts, Fliess had

Theater in England

'Chapter Two' Brings Out Painful Side of Neil Simon

By Sheridan Morley

International Herald Tribune

London — The British have never understood Neil Simon any more than Americans have ever really understood Alan Ayckbourn. The two most prolific and in their own countries triumphant living comic dramatists have consequently found the Atlantic crossing consistently hazardous and often disappointing.

Plays by Simon that have survived three years on Broadway have been known to collapse in as many months in London and where London has in the last 15 years almost never been without at least one and often three Ayckbourns, more than half his work remains unplayed on Broadway. Simon's London hits have usually not been his plays at all but rather the negligible books he has written for such plastic-coated ready-mix-dehydrated musicals as "Little Me" and (currently) "They're Playing Our Song." Which makes it all the more important that we at last have the chance to see one of the few plays on which his claims to be something more than a gagman actually rest.

"Chapter Two," now receiving its British premiere at the Lyric Theatre Hammersmith, was a Broadway hit of several seasons back and then became a vacuous

Hollywood movie with James Caan. What separates it from most of Simon's earlier work is that it is at times a painfully autobiographical account of a successful writer trying to come to terms with the death of a beloved first wife and the possibility of starting out again with a second.

When we first meet George Schneider (played by Garry Waldhorn, who bears a certain resemblance to Simon at his most depressed) he is newly returned from the European vacation he has taken with his brother Leo to get over the funeral. It has not been a success: "London was bankrupt, Italy on strike, France hated me and Spain was still mourning Franco," he notes in a kind of Michelin Guide to woe which is a fair indication of the shape of the dialogue to come. But Simon's unequal dexterity as a comic writer ought not to blind us to his very remarkable achievement here in writing nothing less than a comedy about death and despair and a very funny one.

Bilko Returns

Coincidentally some of the earliest scripts he ever wrote, for Phil Silvers as "Sergeant Bilko" almost 30 years ago, are getting reruns on late-night British television and the chance of seeing them again neatly highlights the development of

Simon as a comic dramatist. Unlike "Bilko," most of his stage hits have been some form of autobiography, "Barefoot in the Park" was about life with his first wife, "Odd Couple" about life with his brother. In "Chapter Two" we still have the brother (played by George Layton) and we also have the eventual second wife, concerns the feasibility and ramifications of remarriage; the one he has with his brother, newly arrived at infidelity, is about the state of marriage itself. "The trouble is that it's so relentless every morning you wake up and it's still there."

Human Condition

To those who have long maintained that there was always more truth about humanity in "Bilko" than in a hundred psychiatric textbooks, it comes as reassuring to discover that Simon is still on about the human condition, and after the sketchy disappointments of both "Plaza Suite" and "California Suite," it is good to find him here taking on one major theme and following it through.

The director, Peter James, in his first production at the theater he now manages, has paid Simon the compliment of a serious production in which the company of four is sharply confined to what lies in and beneath the text. There are no jokes here that do not come out of character or situation. None of the easy ways out have been taken, and as a result this is sometimes a very chilly evening indeed.

Simon seems to have foreseen most of the pitfalls: Given a fundamentally soap-operatic situation he endures it by having one character coming home from working on an episode of "As the World Turns." George himself acknowledges that he is doing "two shows a day of suffering" and yet for all their edgy self-deprecation the two central characters eventually find their way to some home truths about life and death, past and future, loneliness and the pathological inability to accept happiness which many more "serious" dramatists would shy away from.

"Chapter Two" is around the edges a very dark play. It is also about a writer in a panic fleeing up blind alleys in search of the one-line that might get him out of trouble. What makes it among the most important comedies of our time is that in the end the play itself does not opt for the same flight: It comes back down the alley, faces reality and reports on it. Not always favorably.

Russians Restoring 700-Year-Old Church

Restoration

MOSCOW — Soviet experts have almost completed the piece-by-piece rebuilding of a 700-year-old church that was razed by German forces during World War II, the Tass press agency said.

The church, in the village of Kovalyov, south of Leningrad, had been chosen for special attention because its frescoes were considered among the finest in Russia, the report said.

Restoration meant sifting through piles of rubble and piecing together thousands of tiny fragments. Tass said the work had been going on for 20 years.

NYSE Nationwide Trading Closing Prices Aug. 26

Tables include the nationwide prices up to the closing on Wall Street.

12 Month Stock	High Low Div.	In	\$ Yld.	P/E	1980	High Low Govt.	Class	Open	Close	Chg.	12 Month Stock	High Low Div.	In	\$ Yld.	P/E	1980	High Low Govt.	Class	Open	Close	Chg.
1428 S AAR	1.24	1.24	2.2	6	27	2.00	500	524	524	+12	2160 S Chrom	1.10	52.7	.47	2170	2160	524	524	2160	2160	0
1428 T AAR	1.24	1.24	2.2	6	27	2.00	500	524	524	+12	2160 S Chrom	1.10	52.7	.47	2170	2160	524	524	2160	2160	0
2242 T ARA	2	2	7.0	4	212	29.0	265	27	27	+1	2160 S Chrom	1.10	52.7	.47	2170	2160	524	524	2160	2160	0
2242 T AVX	2	2	7.0	4	212	29.0	265	27	27	+1	2160 S Chrom	1.10	52.7	.47	2170	2160	524	524	2160	2160	0
2242 T ABDL	.72	.72	24	14	1942	26.0	264	27	27	+1	2160 S Chrom	1.10	52.7	.47	2170	2160	524	524	2160	2160	0
2242 T ADMS	.72	.72	24	14	1942	26.0	264	27	27	+1	2160 S Chrom	1.10	52.7	.47	2170	2160	524	524	2160	2160	0
2242 T ADMS	.72	.72	24	14	1942	26.0	264	27	27	+1	2160 S Chrom	1.10	52.7	.47	2170	2160	524	524	2160	2160	0
2242 T ADMS	.72	.72	24	14	1942	26.0	264	27	27	+1	2160 S Chrom	1.10	52.7	.47	2170	2160	524	524	2160	2160	0
2242 T ADMS	.72	.72	24	14	1942	26.0	264	27	27	+1	2160 S Chrom	1.10	52.7	.47	2170	2160	524	524	2160	2160	0
2242 T ADMS	.72	.72	24	14	1942	26.0	264	27	27	+1	2160 S Chrom	1.10	52.7	.47	2170	2160	524	524	2160	2160	0
2242 T ADMS	.72	.72	24	14	1942	26.0	264	27	27	+1	2160 S Chrom	1.10	52.7	.47	2170	2160	524	524	2160	2160	0
2242 T ADMS	.72	.72	24	14	1942	26.0	264	27	27	+1	2160 S Chrom	1.10	52.7	.47	2170	2160	524	524	2160	2160	0
2242 T ADMS	.72	.72	24	14	1942	26.0	264	27	27	+1	2160 S Chrom	1.10	52.7	.47	2170	2160	524	524	2160	2160	0
2242 T ADMS	.72	.72	24	14	1942	26.0	264	27	27	+1	2160 S Chrom	1.10	52.7	.47	2170	2160	524	524	2160	2160	0
2242 T ADMS	.72	.72	24	14	1942	26.0	264	27	27	+1	2160 S Chrom	1.10	52.7	.47	2170	2160	524	524	2160	2160	0
2242 T ADMS	.72	.72	24	14	1942	26.0	264	27	27	+1	2160 S Chrom	1.10	52.7	.47	2170	2160	524	524	2160	2160	0
2242 T ADMS	.72	.72	24	14	1942	26.0	264	27	27	+1	2160 S Chrom	1.10	52.7	.47	2170	2160	524	524	2160	2160	0
2242 T ADMS	.72	.72	24	14	1942	26.0	264	27	27	+1	2160 S Chrom	1.10	52.7	.47	2170	2160	524	524	2160	2160	0
2242 T ADMS	.72	.72	24	14	1942	26.0	264	27	27	+1	2160 S Chrom	1.10	52.7	.47	2170	2160	524	524	2160	2160	0
2242 T ADMS	.72	.72	24	14	1942	26.0	264	27	27	+1	2160 S Chrom	1.10	52.7	.47	2170	2160	524	524	2160	2160	0
2242 T ADMS	.72	.72	24	14	1942	26.0	264	27	27	+1	2160 S Chrom	1.10	52.7	.47	2170	2160	524	524	2160	2160	0
2242 T ADMS	.72	.72	24	14	1942	26.0	264	27	27	+1	2160 S Chrom	1.10	52.7	.47	2170	2160	524	524	2160	2160	0
2242 T ADMS	.72	.72	24	14	1942	26.0	264	27	27	+1	2160 S Chrom	1.10	52.7	.47	2170	2160	524	524	2160	2160	0
2242 T ADMS	.72	.72	24	14	1942	26.0	264	27	27	+1	2160 S Chrom	1.10	52.7	.47	2170	2160	524	524	2160	2160	0
2242 T ADMS	.72	.72	24	14	1942	26.0	264	27	27	+1	2160 S Chrom	1.10	52.7	.47	2170	2160	524	524	2160	2160	0
2242 T ADMS	.72	.72	24	14	1942	26.0	264	27	27	+1	2160 S Chrom	1.10	52.7	.47	2170	2160	524	524	2160	2160	0
2242 T ADMS	.72	.72	24	14	1942	26.0	264	27	27	+1	2160 S Chrom	1.10	52.7	.47	2170	2160	524	524	2160	2160	0
2242 T ADMS	.72	.72	24	14	1942	26.0	264	27	27	+1	2160 S Chrom	1.10	52.7	.47	2170	2160	524	524	2160	2160	0
2242 T ADMS	.72	.72	24	14	1942	26.0	264	27	27	+1	2160 S Chrom	1.10									

BUSINESS NEWS BRIEFS

U.S. Buys Mexican Oil
For Reserve at \$31.80

By Thomas W. Lippman
Washington Post Service

WASHINGTON — Mexico initiated last week's sale of nearly 110 million barrels of oil to the U.S. Strategic Petroleum Reserve, and the United States agreed to the deal without competitive bidding because the Mexicans offered bargain prices and assured supplies, the head of the reserve said Tuesday.

It said the engine would be designed to power the type of 150-passenger aircraft some airlines are seeking for the mid-1980s. Pratt & Whitney's partners in its PW-2037 engine program, Motor and Turbine Union and Fiat of Italy and Rolls-Royce's Japanese partners in the RJ500 program, Ishikawajima-Harima Heavy Industries, Mitsubishi Heavy Industries, and Kawasaki Heavy Industries, can be expected to participate in the program, United Technologies said. The proposed venture would be subject to the approvals of the governments involved.

Midland Studying Fed Conditions on Merger

From Agency Dispatches

NEW YORK — Midland Bank Ltd. has expressed disappointment that Federal Reserve approval of its acquisition of Crocker National Bank requires Midland to divest itself of its Thomas Cook travel agency and to reduce its holding in European-American Bank.

"We shall be considering the implications of these requirements," London-based Midland said, in a statement after the Fed approval was announced Tuesday. Midland's \$820-million purchase of a controlling stake in Crocker will be the largest foreign takeover of a U.S. bank on record, according to the Fed.

Under terms of the Fed approval, Midland would have to withdraw from the travel agency business with two years, though it apparently could continue to issue travelers checks. It would have to reduce its European-American holding to 5 percent or less in three years.

2 S&Ls Seek Approval for Brokerage Operation

Los Angeles Times Service

WASHINGTON — Two savings and loan associations have requested government permission to establish a national brokerage corporation that would enable their customers to buy and sell stocks and bonds through their local S&Ls.

In an application to the Federal Home Loan Bank Board of Atlanta, Coast Federal S&L of Sarasota, Fla., and Perpetual American Federal of Washington, D.C. said the new corporation would help S&Ls meet competition from traditional brokerage firms. The securities firms' higher-yielding money market funds have lured savings away from the S&Ls, adding to their financial difficulties.

Zaire's Economic Strategy
Spawns Cautious Optimism

by Alan Cowell

New York Times Service

KINSHASA, Zaire — Westerners who monitor Zaire's broken economy are, for the first time in years, displaying a glimmer of satisfaction about this vast and turbulent nation's handling of its economic affairs.

What optimism there is, however, is hedged: In the view of one of those experts, the measures taken so far to ease Zaire's protracted economic crisis may prove to be no more than "a way of putting off the day of reckoning."

The manifestations of economic malaise are diverse in this Western-supported central African nation, which has vast potential wealth from minerals and oil.

Across the river from Kinshasa, for example, is Brazzaville, capital of Congo, which is registered in diamond-trading circles as an official exporter. But, Western diplomats note, it does not have any diamond mines. The stones it exports are smuggled from Zaire.

Secret Coffee Trade

Similarly, people are laboring industriously in the eastern Kivu Province on the coffee crop, travelers report, and working with equal zest on shipping up to half the beans clandestinely through the Sudan.

Then, economic experts say, coffee earnings that should be repatriated through the central bank are kept outside Zaire because it is unprofitable to bring the foreign exchange back into the country and convert it into zaires at the official rate of 5.56 to the dollar.

The government of President Mobutu Sese Seko has effectively acknowledged the currency black market by allowing businesses to import goods without divulging the source of their dollars, Swiss francs or Deutsche marks.

Thus, the diamond and coffee money goes out and is used to buy consumer goods abroad. These goods then come into Zaire, where they are sold for prices that reflect the black market rate of about 11 zaires to the dollar. The wealthy can buy a home freezer on Kinshasa's dusty sidewalks for 5,500 zaires.

IMF Supervision

"This is important," one economist said. "Last year, Zaire recorded its first growth in years — 1.8 percent. The reason was that goods could be imported with black money, and the economy grew."

The International Monetary Fund is the main international agency supervising Zaire's economic recovery attempts.

The cause of these problems are diverse: A fall in the price of copper, its main foreign exchange earner, in 1974-75; agricultural neglect; a program of nationalization, or "Zairianization," that was set up in 1972 and crippled production, and a seemingly endemic corruption.

At the IMF's behest, Zaire has devalued its currency (the zaire is now worth one-seventh of what it was in 1978), put a brake on government spending, increased tax revenues by tightening up collection procedures (largely by installing a Belgian customs officer at the main ports) and lifted some price controls.

are to be funded in the coming fiscal year. Administration officials, who told Congress they regard the oil as a commodity that will rise in value and can be sold later, sought nonfederal financing for the reserve. But key members of Congress, determined to ensure that the reserve would be filled, insisted on federal financing.

As a compromise, Congress authorized an "off budget" appropriation of \$3.9 billion for oil acquisition in 1982. But a separate bill pending in the Senate would include it as an appropriated item in the budget, which would require a comparable reduction in some other category.

That price is well below the current weighted average price of just over \$34 charged by OPEC members, is less than the price of about \$32. The United States had been buying oil for the reserve on the spot market, which involves bidding for crude that is exported without specific sales contract, but Mr. Jones said the United States "has been interested in long-term arrangements" to insulate the oil reserve from market fluctuations.

The Pemex offer, a reflection of the impact on Mexico of a softening worldwide oil market, was also attractive because it allows the United States to suspend shipments and renegotiate the contract if world prices fall during the year term of the contract.

Mr. Jones, who went to Capitol Hill Tuesday to discuss the deal, said in a telephone interview that the Mexican deal was not a precedent-setting "government-to-government contract." He said it is a "commercial contract" with an oil company — Pemex — and was negotiated "strictly on a commercial basis."

The contract commits the United States to more than \$3 billion in outlays over the next five years. Congressional sources familiar with the 1975 law that established the petroleum reserve said there is no requirement that the oil be purchased through competitive bidding. One staff aide said the objective was to "maximize national security while minimizing cost," and the long-term Mexican deal appears to meet that standard.

The Strategic Petroleum Reserve consists of crude oil bought by the government for emergencies and stored in salt caverns in Louisiana and Texas. More than five years after it was created by Congress, the reserve contains less than one-third of its authorized objective of 750 million barrels, and the administration is committed to accelerate the acquisition rate.

The current rate of fill is about 400,000 barrels a day. Mexico is to begin Sept. 1 to ship an average of 200,000 barrels a day. Then, from January 1982 to end of August 1986, the reserve will buy 50,000 barrels a day from Pemex.

That is a small fraction of Mexico's average daily export of about 1.3 million barrels. Energy Department officials said that would soften the impact on Mexico if the United States should pull out of the contract and also restrain Mexico's impulse to raise the price of its U.S. sales if world prices rise.

Most oil sales contracts by national oil companies allow the seller to "unilaterally raise prices at any point, even retroactively," Mr. Jones said. The Pemex contract allows either party to request a price renegotiation if the world market changes.

Mr. Jones said the price was derived by a simple multiplication of the current Mexican selling price by the grade of crude involved.

Mexican light crude is selling at \$34 a barrel, according to Department of Energy figures, and heavy, less desirable crude at \$28.50. He said the oil sent to the United States is to be priced as a mixture of 60 percent light and 40 percent heavy crude, although the contract specifies that the price is firm even if the percentage of light crude increases.

Still unclear is the exact method by which the reserve's purchases

COMPANY REPORTS

Revenue and profits, in millions, are in local currencies unless otherwise indicated.

Britain

Imperial Chemical Industries

2nd Quarter, 1981 1980

Revenue..... 316.6 223.4

Profits..... 12.9 12.8

Per Share..... 0.93 0.83

1st Half..... 1981 1980

Revenue..... 531.8 420.4

Profits..... 15.3 14.0

Per Share..... 0.11 0.10

Johnson Matthey

2nd Quarter, 1981 1980

Revenue..... 190.59 221.54

Profits..... 9.02 6.87

Per Share..... 0.271 0.254

Netherlands

Estel van Hoesch-Hoogovens

2nd Quarter, 1981 1980

Revenue..... 1,590 1,480

Net..... 105.74 39.9

London Commodities

(Prices in sterling per metric ton)
(Gross in U.S. dollars per metric ton)

High Low Close Previous
Avg. (Bid-Asked) (Close)

SUGAR Oct 18.00 17.80 17.80 17.80 18.25

Oct 18.10 17.90 17.90 17.90 18.25

Oct 18.20 18.00 18.00 18.00 18.25

Oct 18.30 18.10 18.10 18.10 18.25

Oct 18.40 18.20 18.20 18.20 18.25

Oct 18.50 18.30 18.30 18.30 18.25

Oct 18.60 18.40 18.40 18.40 18.25

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Oct 18.80 18.60 18.60 18.60 18.25

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Oct 22.50 22.30 22.30 22.30 18.25

Oct 22.60 22.40 22.40 22.40 18.25

NYSE Nationwide Trading Closing Prices Aug. 26

Tables include the nationwide prices up to the closing on Wall Street.

(Continued from Page 6)

12 Month Stock	High	Low	Chg.	Close	12 Month Stock	High	Low	Chg.	Close	12 Month Stock	High	Low	Chg.	Close
High	Low	Chg.	Close	High	Low	Chg.	Close	High	Low	Chg.	High	Low	Chg.	Close
11 13 KCCG P	1.21	1.15	-0.06	1.15	22 125 LQGCO	2.14	1.61	-0.53	1.61	21 125 LIT	2.31	1.11	-1.20	1.11
16 12 LAF	1.42	1.35	-0.07	1.35	23 125 LOMG	1.10	0.95	-0.15	0.95	22 125 LITCO	2.28	1.25	-1.00	1.25
17 12 LAF P	1.42	1.35	-0.07	1.35	24 125 LOMG	1.10	0.95	-0.15	0.95	23 125 LITCO	2.28	1.25	-1.00	1.25
18 12 LAF P	1.42	1.35	-0.07	1.35	25 125 LOMG	1.10	0.95	-0.15	0.95	24 125 LITCO	2.28	1.25	-1.00	1.25
19 12 LAF P	1.42	1.35	-0.07	1.35	26 125 LOMG	1.10	0.95	-0.15	0.95	25 125 LITCO	2.28	1.25	-1.00	1.25
20 12 LAF P	1.42	1.35	-0.07	1.35	27 125 LOMG	1.10	0.95	-0.15	0.95	26 125 LITCO	2.28	1.25	-1.00	1.25
21 12 LAF P	1.42	1.35	-0.07	1.35	28 125 LOMG	1.10	0.95	-0.15	0.95	27 125 LITCO	2.28	1.25	-1.00	1.25
22 12 LAF P	1.42	1.35	-0.07	1.35	29 125 LOMG	1.10	0.95	-0.15	0.95	28 125 LITCO	2.28	1.25	-1.00	1.25
23 12 LAF P	1.42	1.35	-0.07	1.35	30 125 LOMG	1.10	0.95	-0.15	0.95	29 125 LITCO	2.28	1.25	-1.00	1.25
31 12 LAF P	1.42	1.35	-0.07	1.35	32 125 LOMG	1.10	0.95	-0.15	0.95	30 125 LITCO	2.28	1.25	-1.00	1.25
32 12 LAF P	1.42	1.35	-0.07	1.35	33 125 LOMG	1.10	0.95	-0.15	0.95	31 125 LITCO	2.28	1.25	-1.00	1.25
33 12 LAF P	1.42	1.35	-0.07	1.35	34 125 LOMG	1.10	0.95	-0.15	0.95	32 125 LITCO	2.28	1.25	-1.00	1.25
34 12 LAF P	1.42	1.35	-0.07	1.35	35 125 LOMG	1.10	0.95	-0.15	0.95	33 125 LITCO	2.28	1.25	-1.00	1.25
35 12 LAF P	1.42	1.35	-0.07	1.35	36 125 LOMG	1.10	0.95	-0.15	0.95	34 125 LITCO	2.28	1.25	-1.00	1.25
36 12 LAF P	1.42	1.35	-0.07	1.35	37 125 LOMG	1.10	0.95	-0.15	0.95	35 125 LITCO	2.28	1.25	-1.00	1.25
37 12 LAF P	1.42	1.35	-0.07	1.35	38 125 LOMG	1.10	0.95	-0.15	0.95	36 125 LITCO	2.28	1.25	-1.00	1.25
38 12 LAF P	1.42	1.35	-0.07	1.35	39 125 LOMG	1.10	0.95	-0.15	0.95	37 125 LITCO	2.28	1.25	-1.00	1.25
39 12 LAF P	1.42	1.35	-0.07	1.35	40 125 LOMG	1.10	0.95	-0.15	0.95	38 125 LITCO	2.28	1.25	-1.00	1.25
40 12 LAF P	1.42	1.35	-0.07	1.35	41 125 LOMG	1.10	0.95	-0.15	0.95	39 125 LITCO	2.28	1.25	-1.00	1.25
41 12 LAF P	1.42	1.35	-0.07	1.35	42 125 LOMG	1.10	0.95	-0.15	0.95	40 125 LITCO	2.28	1.25	-1.00	1.25
42 12 LAF P	1.42	1.35	-0.07	1.35	43 125 LOMG	1.10	0.95	-0.15	0.95	41 125 LITCO	2.28	1.25	-1.00	1.25
43 12 LAF P	1.42	1.35	-0.07	1.35	44 125 LOMG	1.10	0.95	-0.15	0.95	42 125 LITCO	2.28	1.25	-1.00	1.25
44 12 LAF P	1.42	1.35	-0.07	1.35	45 125 LOMG	1.10	0.95	-0.15	0.95	43 125 LITCO	2.28	1.25	-1.00	1.25
45 12 LAF P	1.42	1.35	-0.07	1.35	46 125 LOMG	1.10	0.95	-0.15	0.95	44 125 LITCO	2.28	1.25	-1.00	1.25
46 12 LAF P	1.42	1.35	-0.07	1.35	47 125 LOMG	1.10	0.95	-0.15	0.95	45 125 LITCO	2.28	1.25	-1.00	1.25
47 12 LAF P	1.42	1.35	-0.07	1.35	48 125 LOMG	1.10	0.95	-0.15	0.95	46 125 LITCO	2.28	1.25	-1.00	1.25
48 12 LAF P	1.42	1.35	-0.07	1.35	49 125 LOMG	1.10	0.95	-0.15	0.95	47 125 LITCO	2.28	1.25	-1.00	1.25
49 12 LAF P	1.42	1.35	-0.07	1.35	50 125 LOMG	1.10	0.95	-0.15	0.95	48 125 LITCO	2.28	1.25	-1.00	1.25
50 12 LAF P	1.42	1.35	-0.07	1.35	51 125 LOMG	1.10	0.95	-0.15	0.95	49 125 LITCO	2.28	1.25	-1.00	1.25
51 12 LAF P	1.42	1.35	-0.07	1.35	52 125 LOMG	1.10	0.95	-0.15	0.95	50 125 LITCO	2.28	1.25	-1.00	1.25
52 12 LAF P	1.42	1.35	-0.07	1.35	53 125 LOMG	1.10	0.95	-0.15	0.95	51 125 LITCO	2.28	1.25	-1.00	1.25
53 12 LAF P	1.42	1.35	-0.07	1.35	54 125 LOMG	1.10	0.95	-0.15	0.95	52 125 LITCO	2.28	1.25	-1.00	1.25
54 12 LAF P	1.42	1.35	-0.07	1.35	55 125 LOMG	1.10	0.95	-0.15	0.95	53 125 LITCO	2.28	1.25	-1.00	1.25
55 12 LAF P	1.42	1.35	-0.07	1.35	56 125 LOMG	1.10	0.95	-0.15	0.95	54 125 LITCO	2.28	1.25	-1.00	1.25
56 12 LAF P	1.42	1.35	-0.07	1.35	57 125 LOMG	1.10	0.95	-0.15	0.95	55 125 LITCO	2.28	1.25	-1.00	1.25
57 12 LAF P	1.42	1.35	-0.07	1.35	58 125 LOMG	1.10	0.95	-0.15	0.95	56 125 LITCO	2.28	1.25	-1.00	1.25
58 12 LAF P	1.42	1.35	-0.07	1.35	59 125 LOMG	1.10	0.95	-0.15	0.95	57 125 LITCO	2.28	1.25	-1.00	1.25
59 12 LAF P	1.42	1.35	-0.07	1.35	60 125 LOMG	1.10	0.95	-0.15	0.95	58 125 LITCO	2.28	1.25	-1.00	1.25
60 12 LAF P	1.42	1.35	-0.07	1.35	61 125 LOMG	1.10	0.95	-0.15	0.95	59 125 LITCO	2.28	1.25	-1.00	1.25
61 12 LAF P	1.42	1.35	-0.07	1.35	62 125 LOMG	1.10	0.95	-0.15	0.95	60 125 LITCO	2.28	1.25	-1.00	1.25
62 12 LAF P	1.42	1.35	-0.07	1.35	63 125 LOMG	1.10	0.95	-0.15	0.95	64 125 LITCO	2.28	1.25	-1.00	1.25
64 12 LAF P	1.42	1.35	-0.07	1.35	65 125 LOMG	1.10	0.95	-0.15	0.95	66 125 LITCO	2.28	1.25	-1.00	1.25
66 12 LAF P	1.42	1.35	-0.07	1.35	67 125 LOMG	1.10	0.95	-0.15	0.95	68 125 LITCO	2.28	1.25	-1.00	1.25
68 12 LAF P	1.42	1.35	-0.07	1.35	69 125 LOMG	1.10	0.95	-0.15	0.95	70 125 LITCO	2.28	1.25	-1.00	1.25
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Red Smith

'Million's' \$1,100 Baby

New York Times Service

NEW YORK — Flanked by two mounted cops, Mayor Jane Byrne of Chicago rode a horse in a parade the other day, which may not tell us a lot about politics in the Second City but does suggest that the town is in a tizzy over the upcoming Arlington Million, America's richest race for thoroughbreds.

Somewhat more significant, as far as the race is concerned, was Tuesday's arrival of the gallant gelding, John Henry, who could be the star of the piece. He flew in from Del Mar after having broken every stopwatch in Southern California. With Bill Shoemaker in the saddle, John Henry had worked a mile in 1:34.2 and had finished out a mile and an eighth in 1:46 flat.

The mile figure used to be the world record, which Equipoise, the beloved Chocolate Soldier, set at Arlington Park and held for 26 years. Today the world record for a mile and an eighth is 1:45.2, established by Secretariat. Del Mar's best times for the distances are 1:33 and 1:46.

John Henry is a specialist in grass races. In fact, he is the best turf horse in America and has an Eclipse Award to prove it. Last year John Henry made 12 starts, 10 of them on grass, and always brought back a paycheck. He won eight times and had three seconds and a third. This year he has won

Hull to Attempt NHL Comeback

New York Times Service

NEW YORK — Bobby Hull, among the most prolific scorers in National Hockey League history, will try to win a job as a left wing with the New York Rangers.

Hull, who is 42 and has not played since early 1979-80 for the Hartford Whalers, will try out as the Rangers train and play exhibitions in Finland and Sweden next month, according to Vice President Craig Patrick.

"The only way to find out if he can still play is to give him a tryout," Patrick said. "He's been skating and riding a bike. He looks like he's in excellent shape."

In 15 seasons with Chicago, Hull had 1,170 points, including 610 goals, making him the NHL's eighth-best total scorer and ranking him fifth in goals. In six years in the WHA, he had 303 goals and 335 assists.

If Hull plays well, the Rangers will put him on a line with center Ulf Nilsson and right wing Anders Hedberg. The trio played together for four seasons with Winnipeg of the World Hockey Association, comprising one of the highest-scoring lines in hockey before Nilsson and Hedberg joined the Rangers in June 1978.

Hull remains under contract to the Whalers, but Patrick said he had received their permission for the tryout. The Rangers will work out a settlement if Hull makes the team.

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five of six, including the Santa Ana Handicap on dirt.

Sunday's Arlington Million is on grass for horses 3 and older carrying weight for age a mile and a quarter. Of the gross purse of \$1 million, the winner gets \$600,000.

John Henry may not be the best horse in the field, maybe not even the best American starter, but he probably has the most romantic personal history.

He was bred on the wrong side of the tracks, so far over on the wrong side that he couldn't hear the train whistle. His sire was a stallion with the proud name of Old Bob Bowers, and John Henry sold as a yearling for \$1,100.

In the Booties

That was in January, 1976, and the lucky buyer doubled his money in a year, selling him for \$2,200 the following January. John Henry's first seven races were on tracks like Evangeline Downs and Jefferson Downs in Louisiana.

He ran for a claiming price of \$20,000, and when Sam Rubin, a New York bicycle importer, was looking for a sound horse for \$25,000, he got John Henry for that price; Rubin was advised to try him on grass.

Now 5 years old, John Henry has started 32 turf races and has finished out of the money only twice. He has won 19, with 9 seconds and 3 thirds.

The \$1,100 yearling has earned \$1,864,510. If he should win another \$600,000 Sunday, he would have only \$317,097 to go to match Spectacular Bid's record \$2,781,607. There are enough rich turf races in the fall to get him there.

It costs \$13,500 to start a horse in the Arlington Million. Although there have been several defections since, owners made their last \$2,500 eligibility payment July 15, horses on the also-eligible list were designated starters and kept the field to 14 up to Tuesday. Conditions for the race limit the field to 14.

Perhaps the most prominent foreign invader is Argentinian, from France, who won the Washington, D.C., International at Laurel last fall.

From England comes Madam Gay, who was second to the esteemed Sherbar in the Epsom and Irish Derbys and also ran behind Sherbar in the King George VI and Queen Elizabeth Stakes. Madam Gay, a 3-year-old, will be ridden by Lester Piggott, top banana in Britain's jockey colony.

Long Odds by Long Distance

A 5-year-old named Rossi Gold belongs to Spendthrift Farm's Leslie Combs stables at Arlington, trains at the Arlington and clearly loves the Arlington turf course. Due in part to his four victories on Arlington's grass, Chicago horseplayers love Rossi Gold.

Recently Ladbrooke's of London placed its first bet on Rossi Gold, belonging to Spendthrift Farm's Leslie Combs stables at Arlington, trains at the Arlington and clearly loves the Arlington turf course.

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Recently Ladbrooke's of London

issued its first betting line on the Arlington Million and made Rossi Gold 20-1. The overseas switchboard lit up like a Christmas tree as the punters rang long distance.

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FOOTBALL

Masterson Football League

ATLANTA - Robert Lawrence, defensive back on the injured reserve list. Injured Robert Pennelly, linebacker: Eddie Feltz, defensive tackle; and Mike Smith, defensive end.

BALTIMORE - Detained Brian Clegg, defensive end; and Scott Fletcher, and acher Dave Geltz from the American Association.

PITTSBURGH - Steven John Cimino, pitcher, to come-over contract.

BASKETBALL

National Basketball Association

LEAGUE - Named Alex Socharek director of Information.

DETROIT - Signed Carlos Zerillo, forward.

KANSAS CITY - Signed Mike Perry, forward.

UTAH - Signed James Henry, forward.

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Atlanta Football League

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FO

Art Buchwald

Anti-Neutron Lobby Should Go Fry a Kite

WASHINGTON — Despite constant assurances of people very high in the government, there are still some skeptics in the United States and Western Europe who are not sold on the argument that we need to build a neutron bomb. The fact of the matter is that the United States not only needs it — but it's inconceivable that we could have ever lived without it.

The neutron bomb is the greatest thing to come along since white bread. When set off, it produces high levels of radiation, cooking people, but leaving structures and buildings standing. Unlike present atomic weapons, where blast and heat do most of the damage the neutron bomb actually penetrates its target, frying anyone inside.

The same people who are always standing in the way of progress are asking, "Why do we need a neutron bomb?"

The question doesn't deserve a response, but I'll give one anyway.

Gum Card Firm Upheld by Court

The Associated Press

PHILADELPHIA — A federal appeals court has ruled that Topps Chewing Gum Inc. did not unfairly monopolize the baseball-card business.

In a unanimous opinion, overturning a lower court ruling, the 3d U.S. Circuit Court of Appeals said exclusive contracts between Topps and the Major League Baseball Players Association over the card-board, wallet-size cards did not violate antitrust laws. The suit was filed by a competitor, Fleer Corp.

The agreements "cannot be said to restrain trade unreasonably. A rival manufacturer could compete head-to-head with Topps by seeking licenses with minor league players," the court ruled. Fleer attorneys had argued that they should be entitled to form contracts with major league players.

We need one if we hope to fight an integrated war on foreign soil.

The U.S. military's new strategy is to prepare itself for conventional nuclear and chemical war battles. Because the Soviets outnumber the NATO forces, the neutron bomb will give us the parity we need to deter the Russians from attacking the West.

You would think the Europeans would be overjoyed that we were going ahead with an enhanced bomb which might kill them but preserve all their beautiful palaces and churches.

The reaction has been just the opposite. Instead of saying "Thank you, Uncle Sam," they have informed us to stuff our neutron bombs in the ground.

I say that's the way they feel about it we should keep our bombs in Utah and see what kind of conventional nuclear war they can fight without them. If they want to use the second-rate low-yield atomic weapons they now have at their disposal, good luck to them. But when they start crying for the high-yield mini-nukes that can really do a man's job, we'll remind them of the fuss they made when we offered to place the neutron weapon on their soil.

The point that opponents keep missing is that we are not building the bomb to start a war, but to stop one. If the Soviets know we have a neutron bomb ready, they're not going to attack the West, unless, of course, they have a neutron bomb of their own.

By this time we should have our own laser beam weapon in production, which will deter the Soviets from starting anything with their enhanced weapons.

In an arms war the trick is always to stay one step ahead of the other guy.

I don't want anyone to get the idea that the neutron bomb is our ultimate weapon and that we can relax after we get enough stockpiled. The bomb, for all its publicity, is just a nice little option a field commander has at his disposal when the going gets tough. It's not the end-all for killing large segments of the population, but if we can save pieces of valuable real estate from being destroyed it will pay for itself in time at all.

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Buchwald

Jellyfish: Fear Stronger Than Sting

By John Noble Wilford
New York Times Service

NEW YORK — Riding the tides of summer again are great shoals of jellyfish, which flourish in the warm coastal shallows through the brief season of their maturity. From July through September, these translucent blobs of gelatinous matter with trailing tentacles are a menace in the eyes of fearful swimmers but intriguing to those few biologists who explore the nature of their stinging toxins.

Scientists know that the jellyfish's reputation is worse than its sting. The moon jellyfish, *Aurelia aurita*, is particularly harmless.

Of greater concern are two closely related jellyfish, the sea nettle and the lion's mane. Their jelly sacs are shaped more like a bell, their tentacles are much longer and their toxins are more potent, though not lethal. Their stings cause painful red welts, but the irritation is usually gone in less than a day. In fiction, the toxin figured in a Sherlock Holmes story, "The Adventure of the Lion's Mane."

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Jellyfish are only very

success of pufferfish toxin as such a molecular probe encourages the search for others.

But Watrous, one of the few jellyfish experts in the United States, said that support for research has declined in recent years, as it became clear that the species in American waters are generally benign and of little or no direct economic benefit.

L.A. Walford notes in "Living Resources of the Sea" that certain species of jellyfish serve as drifting shelters under which young fish can find sanctuary until they are old enough to fend for themselves. He said that this relationship between jellyfish and fingerlings may even be an essential stage in the life cycle of some commercially valuable fish.

Jellyfish are only very

Species

In reality, the only species of jellyfish with a deadly sting is *Chrysaora fleckeri*, known commonly as the sea wasp or box jellyfish. It inhabits the reefs of northern Australia and Indonesia, with jelly sacs the size of a human head and tentacles as long as 20 feet. Australian scientists report that there have been at least 70 documented deaths from sea wasp stings in this century, the result of paralytic shock of the heart muscles that strikes within five to ten minutes.

The toxins of these species, sea wasp and sea nettle, are the focus of jellyfish interest today because of their suspected potential as molecular probes. Since jellyfish toxins seem to trigger specific responses in the body, explained Dr. James Watrous, chairman of the biology department of St. Joseph's University in Philadelphia, they could become useful as a laboratory tool to observe biological processes, enabling scientists to learn how certain chemicals pass through membranes and how muscles and nerves respond to certain signals.

In this way they might obtain clues to possible therapies. In this way they might obtain clues to possible therapies.

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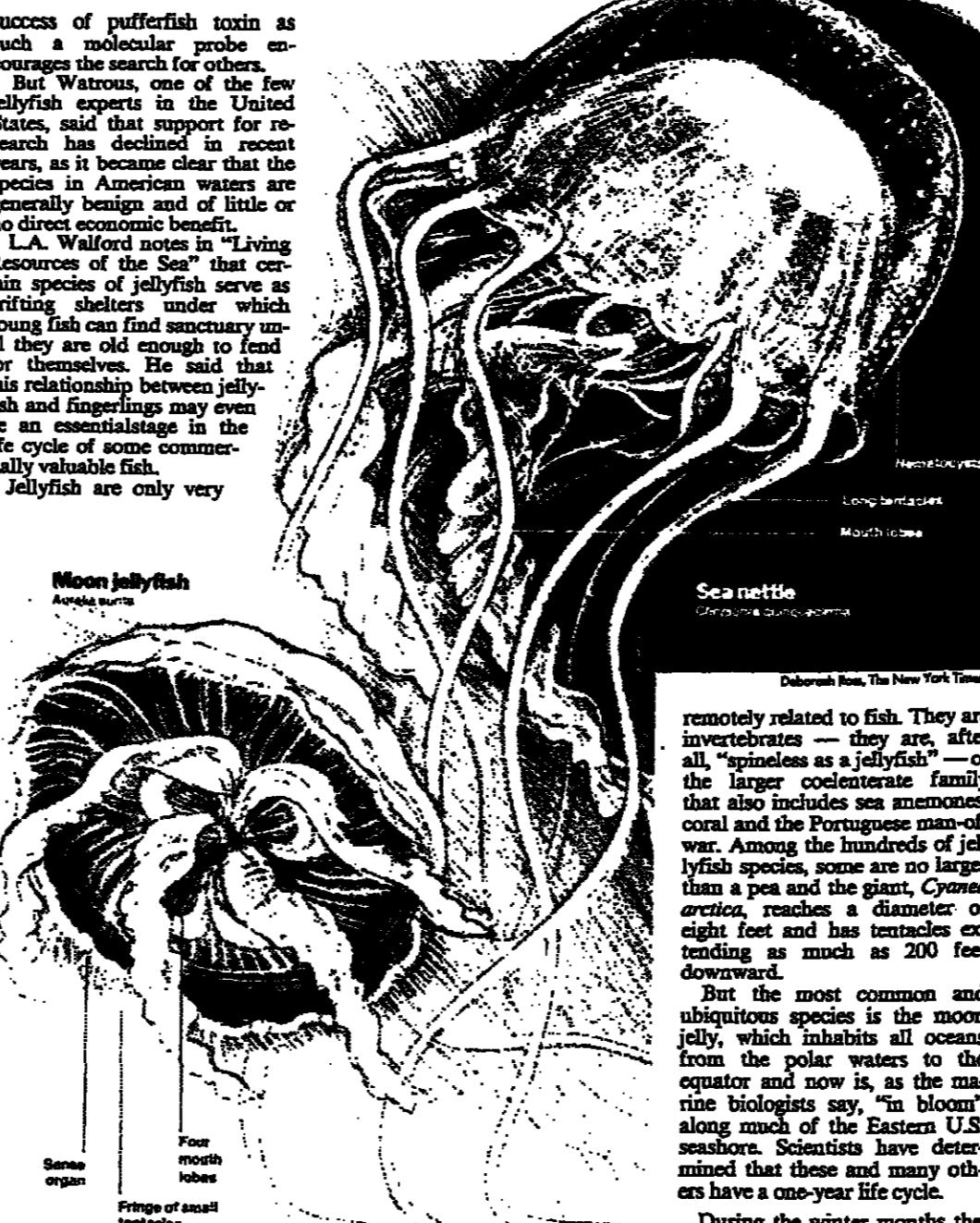
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These translucent blobs of gelatinous matter with trailing tentacles are a menace in the eyes of fearful swimmers but intriguing to those few biologists who explore the nature of their stinging toxins.

logical maiden whose hair was turned into serpents.

The medusa drifts with tide and current, its milky white or bluish sac of jelly, mostly water with carbohydrate lipids and some proteins, pulsating as a means of reading water. Hanging from the underside of the moon jellyfish's sac is a fringe of small tentacles and four tapering mouth lobes. The mouth lobes feed by licking off organisms that stick to mucus on the sac.

While drifting and feeding, the medusa is also producing fertilized eggs, which descend to the sea floor to begin a new cycle. In the fall, the medusa will die and sink, ending the old cycle.

The sea nettle, *Chrysaora quinquecirrha*, is an equally simple but somewhat different creature, according to Watrous. It has a single mouth tube that has the dual function of taking in food and discharging body wastes. Covering its tentacles and to some extent the tentacles of nematocysts, that contain the toxin that is delivered to stun prey, usually tiny crabs and minnows.

When prey come in contact with the sea nettle, Watrous said, the pods spring open to release a hollow-tube thread with a barb at the forward end. The barb grabs and holds the prey while the toxin is injected. Other tentacles then shift the paralyzed prey to the jellyfish's mouth. The exact chemistry of the sea nettle toxin is still not understood. It is "protein in nature, a relatively big molecule," Watrous said.

Recommended Reading

Watrous, who collects sea nettle each summer on Chesapeake Bay and has been stung many times, recommended a paste of meat tenderizer as a poultice. The same enzyme that tenderizes meat breaks down the protein in the toxin.

But the most common and ubiquitous species is the moon jelly, which inhabits all oceans from the polar waters to the equator and now is, as the marine biologists say, "in bloom" along much of the Eastern U.S. seashore. Scientists have determined that these and many others have a one-year life cycle.

During the winter months the fertilized egg on the sea floor develops into a free-swimming larva, called a planula, that eventually settles to the bottom and grows into a polyp. The polyp then reproduces asexually by shedding layer after layer of "offspring" which grow into the familiar adult stage in the warming waters. Scientists call this the medusa stage, after the mytho-

PEOPLE: Borges Given Prize At Mexican Festival

Mexico's President Jose Lopez Portillo handed Argentine Jorge Luis Borges a \$70,000 award that goes with Mexico's literary prize. The blind poet and short story writer spent his 80th day reciting his own works in standing ovations at Mexico's International Poetry Festival in Morelia and a special reading in Mexico City. The Olimpo Yolanda prize presented to Borges was started last year to reward excellence in Spanish-language literature. The namesake, like the movement in the National League of the Aztec Indians, Borges accepted the prize, saying: "My literary work isn't really a work but a simulation. I published my book so I wouldn't have to spend my correcting manuscripts."

Jerry Lewis has raised millions of dollars over the years for the Muscular Dystrophy Association, but not everybody is happy about the way he goes about it. In his Labor Day telephone, two great American Coalitions for the disabled and the Disability Rights Center, said that ailing children on cameras to stir sympathy and donations had created "the impression that all handicapped persons must be dependent — that they cannot be contributing members of our society. Actually, we feel that this emphasis on 'Jerry's Kids' — pale, weak, brave but probably disabled — has helped create a stereotype of disabled persons and led to unfair public policies." An official of the Muscular Dystrophy Association rejected the charges and suggested that they stemmed in part from sour grapes because the association had turned down an application for a \$250,000 grant to the Disability Rights Center.

Mildred Rowley, 51, a nurse, was granted a divorce in Wolverhampton, England on the ground that her husband's obsession with cricket constituted unreasonable behavior. She said he was "cricket mad. Cricket was not just a hobby — it was a total obsession. I had just had enough of it." Mildred Rowley, her husband of 17 years, was not in court. He was in the resort city of Torquay, keeping score for his favorite cricket team, the Worcestershire Monarchs.

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